



THE INDIAN SOCIETY OF AGRICULTURAL ECONOMICS

LAND TENURES  
IN  
INDIA

*(Reprinted from the Indian Famine Commission's Report Vol. II Part IV)*

VORA & CO., PUBLISHERS LTD.

3, ROUND BUILDING, KALBADEVI ROAD, BOMBAY 2

*First Edition: September, 1946*

*Printed with the permission of Government of India (Food Department)*

*Price Rs. Two only*

## INTRODUCTION

It has come to be recognised more and more of late that the systems of land tenure and tenancy have a vital bearing on the efficiency of agriculture. Until recently however the authorities were unwilling to raise this fundamental issue and submit the land systems of the country to a thorough examination. Thus the question of land systems was put out of the purview of the Royal Commission on Agriculture of 1926 whose enquiry was otherwise so comprehensive. A few years before the outbreak of Second World War some Provincial Governments did take up this question and their enquiries have thrown valuable light on the problem. The Zamindari system of Bengal has in particular been submitted to a close examination by the Bengal Land Revenue Commission. The Madras Land Estates Committee also went into the question of the rectification of the Zamindari in Madras. The Report of the Punjab Land Revenue Enquiry Committee has also given useful data on the land system in that province. The Sind Tenancy Legislation Committee's report, published recently, has examined the question of granting tenancy rights to Haris. There is, however, as yet no complete and comprehensive study of the problem on an all-India basis.

The Famine Inquiry Commission appointed to report primarily upon the Bengal Famine and to make recommendations on the long-term problem of food supply and nutrition in India attempted for the first time a survey of the land tenure problems for the country as a whole. The Commission issued a questionnaire to the different Provincial Governments and to the public which brought out prominently the shortcomings of the present land systems and the lines along which they could be improved. In spite of differences of view-points on some issues there was unanimity amongst the members of the Commission as regards the necessity of a fundamental

approach to the problems of food supply and nutrition through a reorganisation of the land system.

This reprint of the relevant sections of the report dealing with this question of Land Tenures is being placed before the public by the Indian Society of Agricultural Economics in the hope that it will focus public attention on this vital problem. The copies of the Famine Enquiry Commissions' Report are not easily available to the public. This is an additional reason for bringing out this reprint of the sections of the report dealing with the problem which has been engaging the attention of the Society for the last few years. I hope the reprint will serve a useful purpose.

MANILAL B. NANAVATI

*President.*

## CONTENTS

	Page
PRELIMINARY                   ...                   ...                   ...                   ...	1
THE OCCUPANCY RIGHT HOLDER ...                   ...                   ...	27
THE PERMANENTLY-SETTLED ESTATE SYSTEM                   ...	33
Appendix I—MINUTES OF DISSENT by Sir Manilal Nanavati                   ...	43
Appendix II—LAND TENURE PROBLEMS                   ...                   ...	70-90



## CHAPTER I

# LAND TENURE PROBLEMS

### A.—PRELIMINARY

In Part III of this report we examined the possibilities of developing agricultural production by the application of scientific knowledge and technical resources. As we have pointed out, the existence of these technical possibilities is not sufficient; they must be realized. Government can and must assist in their realization, but in the last resort, it is the people, the millions engaged in agriculture, who, by their individual and co-operative efforts, must secure the increase in agricultural production on which the welfare of the community so largely depends. Are the producers capable of the effort which is necessary? Have they the necessary resources? Are they suitably organized for co-operative effort? In other words, is agricultural production in the country generally organized so as to be capable of realizing the technical possibilities of increased production? We propose to consider these questions in this part of our report.

2. The organization of agricultural production depends, to a large extent, on the system of rights and obligations of holders of land, that is, on the prevailing land systems. The view has often been expressed that there is a close connection between many features of the present land systems and the efficiency of agricultural production, and that the latter cannot be materially improved unless changes are made in the former. We, therefore, put the following questions to the Provincial Governments:—

(i) Describe the various systems of land tenure prevalent in your province. State the extent of land held under each of these systems.

(ii) To what extent was there a tendency for ownership of land to pass out of the hands of cultivating classes to non-cultivating classes? Has this tendency been arrested or reversed to any significant extent?

(iii) Is absentee ownership of land increasing? If so, do you consider it to be a factor restricting the growth of agricultural production? Have any remedies been tried and with what results? Can you suggest any remedies?

(iv) Are the cultivating classes rack-rented in any areas of your province? Have any remedies been tried? If so, with what results? Can you suggest any remedies?

(v) (a) Is there a tendency to progressive reduction in the average size of holdings, and/or their fragmentation?



(b) Have any measures been adopted to restrict subdivision of holdings, if so, with what results?

(c) Have any measures been adopted to promote consolidation of holdings, if so, with what results?

(d) What measures would you recommend for securing improvement in these respects?

(vi) The view has been expressed that unless changes are made in the prevalent systems of land tenure, it would not be possible to secure any significant increase in agricultural production or significant improvement of the standard of life of the cultivating classes. Do you agree with this view? If so, discuss in relation to each system of land tenure prevalent in your province, those aspects which, in your opinion, are objectionable as tending (a) to prevent extension of cultivation or irrigation or (b) to prevent the adoption of improved methods of agriculture or (c) to prevent the cultivator from securing a fair return for his labour and enterprise. Outline the changes which you consider necessary and the measures by which such changes can be brought about.

Replies have been received from all Provincial Governments,<sup>1</sup> and we shall discuss the points emerging from these replies in succeeding sections of this chapter.

3. We should observe at the outset that we are under no illusion as to the adequacy of our treatment of these subjects. The questions involved are of a complex character, and they relate to an enormous area, in different parts of which conditions vary widely. Factual information indispensable for a proper study of the problems involved, is incomplete and may, in the diverse conditions prevailing in different parts of the country, easily lead to misleading conclusions. While we have no doubt that Provincial Governments have taken great pains to supply us with such information as could be secured within the relatively short time available—and we are extremely grateful to them for this—it is obvious that the material, which we have collected, can at best be regarded as only the basis for a preliminary study. Nor have we within the time at our disposal been able to undertake anything more than a preliminary survey of the subject. We, therefore, desire to make it clear that the views expressed by us in this chapter should be treated only as the tentative results of a preliminary survey. They are intended only to indicate the scope of some of the problems involved, and the directions in which, we believe, investigation should be directed in order to find appropriate solutions. Our object is to bring out prominently the existence of certain problems which require to be solved, and to recommend that the Provincial Governments concerned should accept, in principle, the need for undertaking an examination of them. Such an examination should be based on investigations of local conditions and we recommend that such investigations should be undertaken in all provinces on a comprehensive basis.

<sup>1</sup> Vide Appendix V.

## B.—LAND SYSTEMS

4. Land is held in most parts of India under one or other of the three major systems, These are—

(i) the permanently settled estate system, (ii) the temporarily settled estate system and (iii) the ryotwari system. Apart from these three major systems, there are a number of minor systems in different parts of the country. The total area under the latter, however, is only a small proportion of the area under the former. The permanently settled estate system prevails in most parts of the provinces of Bengal and Bihar, about one half of Orissa, about one third of Madras and smaller proportions of the provinces of Assam and the United Provinces. The temporarily settled estate system prevails in the United Provinces, nearly the whole of the Central Provinces (but not Berar), about a fourth of the province of Orissa and in some areas in provinces where the permanently settled estate system prevails. Subject to what has been said about the minor systems, the ryotwari system, generally speaking, prevails in the rest of the country.<sup>1</sup>

5. The features which distinguish the three major systems owe their origin primarily to differences in the character of the settlements of land revenue made in the course of the 18th and 19th centuries. The fact that the revenue was fixed in perpetuity under the permanently settled estate system and is revisable under the other two is a well-known distinguishing feature. The other important difference between the ryotwari system on the one hand and the permanently and temporarily settled estate systems on the other, lies in the unit which was adopted for the purpose of settlement. Under the former the revenue was fixed on individual pieces of land and the actual occupants, who were recognized as possessing a permanent and heritable right of occupancy, became liable for its payment. Under the latter the "estate" was the unit and the holder of the estate (commonly called the proprietor), not the actual occupant of the land, became responsible for the payment of the land revenue. The actual occupants were not, however, all tenants at will. It has always been an accepted principle in India that the occupant of the soil is entitled to remain in possession from generation to generation, provided he pays the customary dues either to the sovereign power or to the person recognized by that power as entitled to receive such payments. At the time of the original settlements, therefore, a large proportion of the occupied lands in the majority of the estates was held by persons who had a permanent and heritable right to occupy and cultivate the land, subject to the payment of the customary rent. In the early days of British administration there was a tendency for the occupancy right to become obscured and obliterated. Many legislative measures have, however, been passed during the last 100 years confirming and extending this right of occupancy, with the result that to-day the great majority of tenants holding

1. Certain areas which are not usually referred to by name as ryotwari (e.g., Government estates or Khasmahal estates of Bengal and Orissa) are really of this category, since they differ in no essential respect from areas under the ryotwari system.

under proprietors (or sub-proprietors) possess a permanent and heritable right of occupancy in the lands of their tenancies. Home farm lands in which the holder of estate also enjoys the right of occupancy, are the exception and are specifically delimited by law as such.

6. Thus, under the three systems, there is in respect of every individual piece of land, one person whom we propose to call the "occupancy-right-holder." This occupancy-right-holder is generally called a ryot under the ryotwari system, while under the other systems he is sometimes described as a ryot and sometimes as a tenant.<sup>1</sup> Fundamentally, their rights are the same; they hold their lands on a permanent and heritable tenure. In general, they also possess unrestricted rights of transfer—though this statement is subject to exceptions, more especially under the temporarily settled estate system.

7. The occupancy-right-holder holding land under the ryotwari system pays land revenue to the Government, while the occupancy-right-holder under the other two systems pays rent to the proprietor of the estate. Both payments are similar in character in the sense that they are not determined on a purely contractual basis. Under the ryotwari system, as well as the temporarily settled estate system, the amount of these payments is fixed at settlements carried out periodically by Government. The payments due on lands held under the permanently settled estate system are less often settled in this manner. The original basis of the level of rents under this system was custom, modified partly by contract in the past and largely by legislation regulating the conditions under which rents may be altered.

8. We have considered it necessary to draw attention to what we regard as an essential common feature of all the three major systems, because it is not unusual to suppose that under the ryotwari system the land is held by a large number of small peasants in their own right, while under the other systems land is held by a relatively small number of large landlords whose lands are cultivated by tenants without any statutory rights. This is not the case. The central figure in all the three systems is the occupancy-right-holder. The proprietors of estates are not occupancy-right-holders in respect of the greater part of the lands in their estates. Thus, in Bihar, the extent of land held by proprietors<sup>2</sup> in their cultivating possession is 3.46 million acres, while the extent of lands held by various classes of occupancy-right-holders is 20.36 million acres. Similar figures are not available for Bengal but from certain estimates made by the Bengal Land Revenue Commission, it is possible to infer that the proportion of lands held by proprietors in their cultivating possession is much smaller in that province. In the United Provinces the extent of land described as 'sir' and 'khud kast' (representing land held by proprietors in cultivating possession) is 5.96 million acres against 26.92 million acres held by

1. Discussion of land tenure problems is often complicated by the fact that the same name often means different things and different names often mean the same thing. Thus, the term *zamindar* as commonly used in the Punjab and Sind, refers to persons holding land on a very different tenure from *zamindars* in the permanently settled areas.

2. Including proprietary under-tenure-holders.

various classes of tenants who are occupancy-right-holders. There are no figures showing the distribution by size of holdings of occupancy-right-holders under the different systems, but there is little reason to suppose that large holdings are more characteristic of one than another.

9. On a review of the replies received from Provincial Governments we find that the problems requiring investigation may be classified under three heads:—

(i) *Size of holdings, subdivision and fragmentation.*—It is well-known that a large proportion of land is held in small holdings. There exists a tendency, directly relatable to the rights of inheritance and the transfer of land, which through subdivision, causes a progressive diminution in the size of holdings and their fragmentation. The need for legislative and administrative action in relation to this tendency is a matter for examination. This applies to all the different land systems.

(ii) *Occupancy-right-holder and non-occupancy tenant.*—Another class of problems is the tendency for land to be held by occupancy-right-holders who do not attend to its efficient cultivation, and who lease such lands to tenants on terms which inhibit such cultivation. This again, is a matter for examination in respect of all the different land systems.

(iii) *The permanently settled estate system.*—There is a growing body of opinion that, apart from the defects already referred to, which are common to all the systems, there are defects peculiar to the permanently settled estate system which make it desirable that the system should be abolished and the ryotwari system introduced in its place.

In succeeding sections of this chapter we discuss each of these three classes of problems separately.

### C.—SIZE OF HOLDINGS—SUBDIVISION AND FRAGMENTATION

10. We mean by a "holding" all the lands in which one person has a permanent and heritable right of occupancy. The term "holding", however, is sometimes used in a different sense; that is, to signify the land actually cultivated by a person. The two conceptions are obviously different, and we propose to restrict the use of the term "holding" to the former category and to use the term "farm" for the latter. Thus, let us suppose that A holds as an occupancy-right-holder five plots of land bearing numbers 1 to 5, and B similarly holds two plots of land bearing numbers 6 to 7. Let us further suppose that A cultivates the land bearing numbers 1 to 4 and leases number 5 to B for cultivation, then the "holding" of A consists of plots 1 to 5, while his "farm" consists of plots 1 to 4; and B's "holding" consists of plots 6 to 7, while his "farm" consists of plots 5 to 7.

11. We believe it is broadly correct to say that statistical information about holdings is incomplete and that practically no information is available about farms. In areas under the ryotwari and the temporarily-settled estate

systems, and in some areas under the permanently-settled estate system, official records are maintained of occupancy-right-holders and the lands included in their holdings. The officially recorded holding, however, is not always the same as the actual holding. The same person may hold lands in what are recorded as separate holdings; and it is equally likely that the recorded holding may include what are in actual fact separate holdings. In the greater part of the area under the permanently-settled estate system, such records are not maintained by official agencies, and accurate information on the subject is not available from the records maintained by the proprietors of the estates. Again, in areas where records are maintained, the information is not, except in a few provinces, compiled and classified. A number of special enquires, however, have been made from time to time, which afford some indication of the position. We proceed to set out certain figures from which an idea can be formed about the size of holdings in Bengal, the most important province under the permanently-settled estate system; the United Provinces, a province under the temporarily-settled estate system; and Madras, the Punjab and Bombay, three provinces where land is held predominantly under the ryotwari system.

### *Bengal*

12. At the instance of the Bengal Land Revenue Commission, enquiries were made in typical villages in all districts of the province into the lands held by 19,599 families. The average holding was ascertained to be 4.4 acres, and the distribution was as follows: 3.3 per cent of the families had no raiyati or under-raiyati interest, that is, were not occupancy-right-holders; 42.7 per cent held less than 2 acres; 11.2 per cent between 2 and 3 acres; 9.4 per cent between 3 and 4 acres; 8.0 per cent between 4 and 5 acres; 17.0 per cent between 5 and 10 acres; and 8.4 per cent above 10 acres. The sample may not have been fully representative of the province, but the figures are the best available, and may be assumed to represent conditions in the province fairly accurately. The average yield of cereals per acre of net area sown in the province is 0.48 ton.<sup>1</sup> From this it may be inferred that the average holding in this province is capable of yielding, under existing conditions, a little more than 2 tons of cereals. It may also be inferred that approximately two-thirds

1. Statement showing the average yield per acre of net area sown in certain provinces.

		Estimated net area of rice, wheat, jowar and bajra (thousand acres).	Yield per acre of net area sown (tons).
Bengal	...	18,407	0.481
Madras	...	15,718	0.412
United Provinces	...	15,566	0.348
Punjab	...	12,348	0.336
Bombay	...	15,421	0.189

The figures represent the average of three years ending 1938-9. As net acreage figures for individual crops are not recorded, they have been estimated on the basis of the relation between 'net area sown' and 'gross area sown' with all crops in each province.

of the total number of holdings are below the average, yielding less than 2 tons; that about one-half of all holdings yield below one ton; that roughly one-fourth of the total number of holdings yield between 2 and 5 tons; while those yielding 5 tons and more are about one-twelfth of the total number. It should be added that while the number of holdings yielding 5 tons or more is relatively small, the extent of the lands included in such holdings is proportionately much larger. We have, however, no information about the actual extent of such lands.

### *The United Provinces*

13. The average size of a holding in the United Provinces varies greatly with the fertility of the soil. In the Gorakhpur division, which is fertile and intensively cultivated, the average area is 4.8 acres, whereas in the Jhansi division, where the soil is unfertile, it is over 12 acres. The average area for the province is 6 acres. The yield per acre of net area sown for the province as a whole is distinctly smaller than in Bengal, being roughly 0.35 ton<sup>1</sup>.

This shows that the average holding in the province is capable of yielding a little more than 2 tons of cereals; that is, roughly the same as in Bengal. Classified particulars for the province are not available, but the following figures, relating to two *tehsils* of the Agra district, are of interest. The average size of a holding in this area was, at the time (1931) the figures were collected, somewhat larger than that for the province as a whole. It was found that 27.3 per cent of the holdings were less than 2.5 acres and 23.3 per cent were between 2.5 and 4.5 acres. Thus, nearly one-half of the total number of holdings were capable of yielding about 1.5 tons or less. 28.9 per cent of the holdings were between 5 and 10 acres, 14.3 per cent between 10 and 17.5 acres, and 6.2 per cent over 17.5 acres. Enquiries made by Settlement Officers indicate that, in this province, in spite of the increase in population, the average size of the holding has remained practically the same over a long period of years; but there has been a large increase in the number of plots per holding with a consequent diminution in the average size of a plot. Joint holdings continue to be a common feature in this province.

### *Madras*

14. The following figures are taken from the Land Revenue Administration Reports of 1936 and 1937. They show the number of single and joint *pattas* and the areas of wet and dry land:—

		Single pattas.	Joint pattas.	Total.
Total number (in millions)	...	3.72	2.45	6.17
Area of dry (in million acres)	...	13.17	9.10	22.27
Area wet (in million acres)	...	3.78	1.50	5.29
	Total area ...	16.95	10.60	27.55
Average acreage per patta	...	4.5	4.4	...

1. See footnote on 14 page ante.

Assuming the average size of a holding to be substantially as recorded for *pattas*, the figure of 4.5 acres is not very different from that for Bengal. The average yield per acre of net area sown is, however, rather smaller. The average yield per acre is 0.41 ton,<sup>1</sup> which means that the average holding is capable of yielding rather less than 2 tons. Seventy-four per cent of the holdings, covering 36 per cent of the total area, have an average area of 2.4 acres; that is, they yield on the average one ton. The classification of *pattas* is on the basis of the assessment, and the Madras Government have stated that while *pattas* paying Rs. 10 and less formed 69.5 per cent of the total number about 20 years ago, they now amount to about 76.5 per cent. The results of enquiries conducted by the University of Madras in selected villages also show that the average size of holdings has decreased.

### Punjab

15. The results of an enquiry into the size of holdings in this province, quoted by the Royal Commission on Agriculture, showed that 17.9 per cent were under one acre, 25.5 per cent between 1 and 3 acres; 14.9 per cent between 3 and 5 acres, and 18 per cent between 5 and 10 acres. The Commission remarked that "the area of cultivated land held by each owner is increasing on the whole, although in numerous villages there is a tendency in the opposite direction." The results of an enquiry made in 1939 by the Board of Economic Enquiry, Punjab, have been furnished to us by the Punjab Government.

Size of holding.				Percentage of	
				owners.	land.
From					
0 to 1 acre ...	...	...	...	20.2	0.8
1 to 3 acres ...	...	...	...	28.6	5.2
3 to 5 "	...	...	...	14.9	6.2
5 to 10 "	...	...	...	16.9	13.1
10 to 15 "	...	...	...	7.3	9.1
15 to 20 "	...	...	...	3.6	7.2
20 to 25 "	...	...	...	2.2	5.6
25 to 50 "	...	...	...	3.9	14.8
50 acres and over	..	...	...	2.4	38.0
Total ...				100.0	100.0

The Government have commented on these figures as follows:—

"It will be observed that the owners are congested in the lower groups and the land is concentrated in higher groups. If 50 acres be taken as the maximum size of a holding which a farmer would ordinarily cultivate directly, it will be observed that 30.0 per cent of the land is held by owners possessing more than this area. On the other hand, if 5 acres be taken as the smallest economic holding 63.7 per cent of the owners would be found to possess uneconomic holdings; whereas the former class feels the necessity to let their land on rent, the latter is anxious to take some more land into their holding

1. See footnote on 14 page ante.

to make an economic holding or to work purely as tenants on bigger holdings. Thus the tenant is not necessarily without an owner's holding of his own. In most cases he is owner-cultivator in one field and tenant-cultivator in the adjoining one, or at a little distance."

We are not aware of any precise estimate of the average size of holdings in this province, but the figures given above point to the conclusion that it is probably in the neighbourhood of 10 acres. The average yield per acre of net area sown is roughly 0.34 ton, and thus the average holding in the Punjab is capable of yielding well over 3 tons, a figure substantially in excess of that for Bengal, the United Provinces and Madras. Nearly one-half of the holdings are, however, capable of yielding less than one ton, and they cover about 6 per cent of the total area comprised in all holdings. Approximately one-eighth of the total number of holdings are larger than 15 acres in extent, that is, capable of yielding 5 tons or more. These holdings, we observe, comprise very nearly two-thirds of the total amount of land. A comparison of the figures quoted by the Royal Commission on Agriculture with those furnished to us, indicates that in this province also small holdings are tending to increase in number.

*Bombay*

16. The following figures<sup>1</sup> relate to the year 1936-37 :—

Classification of holdings.	Number in millions.	Percent- age of total.	Area in million acres.	Percent- age of total.
Up to 5 acres... ..	1.13	49	2.54	9.5
Between 5 and 15 acres ...	0.67	29	6.10	22.8
" 15 " 25 " ...	0.25	11	4.74	17.7
" 25 " 100 " ...	0.22	10	9.23	34.4
Over 100 acres ...	0.02	1	4.17	15.6
Total ...	2.29	100	26.78	100

On the basis of these figures the average size of a holding is 11.7 acres. While this is larger than the corresponding figure for the provinces previously considered, the yield per acre of net area sown is least in this province, being only 0.19 ton per acre. Thus, the average holding in this province is capable of yielding approximately 2.2 tons per acre, which is about the same as in Bengal and the United Provinces. Roughly one-half of the holdings, comprising about one-tenth of all the land, are very small and capable of yielding less than one ton each; whereas holdings capable of yielding over 5 tons number about one-tenth of the total but comprise about one-half of the land.

*Subdivision of holdings*

17. Thus, under all the land systems, small holdings are the rule, large holdings being relatively few in number, and the general tendency is for the

1. Based on figures given in the table at page 45 of "The Indian Rural Problem."



number of small holdings to increase. The replies received from all Provincial Governments indicate that this is so.<sup>1</sup> (An exception is Sind, where large holdings appear to be more common, and where the pressure of population on the land is not yet felt owing to the large increase, during recent years, in the irrigated area.) The immediate cause of the tendency to progressive diminution in the size of holdings is "subdivision" by which is meant "the distribution of the land of a common ancestor amongst his successors-in-interest, usually in accordance with the laws of inheritance, but sometimes effected by voluntary transfers amongst the living by sale, gift, or otherwise. Thus, a man holding 12 acres and having four sons may be succeeded by the four sons, each holding three acres; if three of these sons leave two sons apiece and the other dies childless, the next generation may show six grandsons each holding two acres. But if the childless-holder had sold his land, for instance, to a money-lender, there would be six grandsons with one and a half acres each, and a money-lender with three acres. There are other causes contributing to the process, but subdivision includes the general result of an increase in the number of holders within a family or community."<sup>2</sup>

18. It is generally agreed that it is desirable that this tendency to a progressive diminution in the size of holdings should be arrested. The primary cause of subdivision is the pressure of population on land and the basic measures for checking subdivision are first, the bringing of additional land under cultivation and secondly, an increase in industrial employment. In other parts of our report we have stressed the need for bringing new land under cultivation, and have pointed out that the growth of industry is essential if some of the more pressing problems of village economy, such as excessive pressure of population on land, are to be solved. We do not propose to deal with these matters again in this chapter. What we are concerned with here is whether there is any other measure which it is desirable to adopt for the prevention of subdivision. The Royal Commission on Agriculture who examined this subject at considerable length, observed that "no practical suggestion was put forward for the prevention of further subdivision without interfering with the laws of inheritance." The Commission also examined a proposal put forward by Mr. Keatinge for the formation and maintenance of impartible economic holdings and reached the conclusion that the proposal was open to objections. In view of the importance of this question of impartible holdings, we have further considered it.

19. One of us (Sir Manilal B. Nanavati) holds that the formation and maintenance of impartible holdings is necessary, and that the laws of inheritance should be suitably modified. His views are set out below:—

"The continuing increase in the number of uneconomic holdings is a serious evil. It is not only a question of the unsatisfactory economic position of the owners of such holdings who are compelled to eke out an uncertain livelihood by cultivating land as crop-sharing tenants, by working as day

1. Part B of Appendix II.

2. Report of the Royal Commission on Agriculture in India (1928), page 129.

labourers, by driving carts, etc. Uneconomic holdings also constitute a serious obstacle to efforts to increase the productivity of the land. The cultivator who lives on the margin of subsistence, cannot be expected to possess the resources necessary for increasing the out-turn of his crops by the adoption of improved farming practices requiring capital. From this point of view it is desirable to take steps to prevent a further increase in the number of uneconomic holdings. It is true that the provision of employment alternative to the cultivation of land by the development of industries will provide a solution to the problem, but this does not remove the necessity of undertaking other remedial measures while industries are being developed. I think it is essential that the medium holding should be defined<sup>1</sup> within certain broad limits and that legislation should be undertaken for the purpose of securing that the right to such a holding passes to a single heir, the excluded heirs being allowed a right to maintenance. I have no objection to holdings which are larger than a medium holding being subdivided under the present laws of succession, provided the subdivision does not result in the creation of holdings smaller in size than the medium holding. Even in respect of holdings which are smaller than a medium holding, I would extend the scope of impartibility to them. If the holdings are not unduly small and are capable of being improved so as to be adequate for supporting a family, I would provide facilities for registering them as impartible, if the holder so desires. I agree that public opinion is likely to be opposed to my proposal, on account of the adverse effect of such a change on the younger sons. It should, however, be possible to educate public opinion to appreciate the necessity for such a proposal in the permanent interests of the country. The proposal is not put forward as an alternative to a programme of industrial development which I consider essential. The proposal is, in fact, complementary to such a programme. It is complementary because it would compel the junior members of the families owning medium holdings to seek non-agricultural employment at a time when the resources of the family are still adequate for giving them the necessary training as well as the means of support while they are seeking employment. It would prevent the present tendency to accept a gradual decline in living standards as inevitable, and help to arrest the drift towards indebtedness and ultimate insolvency which occurs when the family is outgrowing the land. If public opinion cannot be reconciled to a change in the law of succession such as I have proposed, I would at least urge the abolition of the right of partition of the medium holding, while retaining the existing right of heirs to ownership of fractional shares in the joint holding; and I would also abolish the right of transfer of separate parts of the holding. Even such a limited change would not be without value and should be tried."

1. A medium holding may be fixed on the basis of a "bullock-power unit". What a bullock-power unit is in terms of acreage of different classes of land in different districts of a province can be settled, on the basis of local enquiries by Provincial Governments. A medium holding may be defined as being not less than one unit nor more than two units. Alternatively, a medium holding may be regarded as one which is capable normally of yielding in terms of cereals not less than two tons nor more than five tons.

20. Two of us (Mr. Ramamurty and Mr. M. Afzal Husain) are unable to accept the fundamental basis of the contention of Sir Manilal Nanavati that the medium holding is necessarily a more efficient unit of production than the small holding. They do not themselves believe, and they are not aware of any evidence in support of the assumption, that a small holder cultivating two or three acres who subsists partly on the income from his holding and partly on earnings from other work, produces less per acre than a medium holder cultivating, say, between 5 and 10 acres. In this view, they see no justification for reconstituting a considerable part of the land of the country into impartible holdings. They would stress the possession of land, however small, as an important element of social security, and they prefer an increase in small holdings to an increase in landless labourers. They are, also, satisfied that public opinion would not tolerate a proposal for the disinheritance of younger sons. In their opinion the uneconomic holding is only an aspect of the problem of poverty as a whole, for which the economic development of the country in all its aspects is the only answer. If this development were achieved, the uneconomic holding would cease to be a problem. They are therefore, opposed to any alteration of the laws of succession as well as to any attempt to constitute impartible holdings.

21. The other two members (Sir John Woodhead and Dr. Aykroyd) agree with Sir Manilal Nanavati that, from the point of view of productive efficiency, medium and large holdings are preferable to small holdings. But they appreciate the weight of the consideration regarding social security mentioned by Messrs. Ramamurty and Afzal Husain and do not feel justified in recommending a change in the laws of succession which, it is agreed, would be most strongly opposed by public opinion. Again, from the point of view of productive efficiency they see little advantage in a measure which limits the right of partition by prescribing the minimum size of a holding and yet maintains the rights of the heirs to fractional shares. The maintenance of a holding as one legal entity would not prevent the heirs from dividing the land for the purpose of cultivation. Further, they consider it quite impracticable to attempt by legislation to compel the owners of fractional shares to cultivate the land of the holding jointly.

22. In the result, therefore, our view, as a commission, is the same as that of the Royal Commission on Agriculture. We do not recommend a change in the laws of inheritance. Sir Manilal Nanavati dissents and adheres to the views set out in paragraph 19 above.

#### *Fragmentation of holdings*

23. We now turn to the problem of fragmentation. "Fragmentation is quite different from subdivision and refers to the manner in which the land held by an individual (or undivided family) is scattered throughout the village in plots separated by land in the possession of others. If all the fields held by an individual are contiguous so that he can pass from the one to the other without traversing any land but his own, his holding is said to be compact: and if this feature has been brought about by design, it is said to be consoli-

dated."<sup>1</sup> While the progressive diminution in the average size of holdings and the multiplication of small holdings is the direct result of subdivision, fragmentation is caused not so much by the act of subdivision as by the manner in which it is effected. "Thus, if a father with three isolated fields of one acre each, dies leaving three sons, the latter will take not one field each but one-third of each field each . . . In the result, successive generations, descending from a common ancestor, inherit not only smaller and smaller shares of his land but inherit that land broken up into smaller and smaller plots . . . Fragmentation is accentuated by the expansion of cultivation irregularly over the waste, by purchases and sales, and by the extinction of families in default of direct heirs and the division of their property amongst a large number of distant relatives. It has been also the result of the break up of the joint family system and its custom of cultivation is common."<sup>2</sup> There are, however, circumstances in which it would, on balance be an advantage that a holding should not consist of one compact unit. This occurs where, on account of marked variations in the quality of the soil, the holder is able to produce, on a moderately fragmented holding, a greater variety of crops and to find occupation for more days in the year than he could on a compact homogeneous block. Such an argument, as the Royal Commission pointed out, can only hold where the number of blocks does not exceed the number of distinct varieties of soil, and in general fragmentation beyond this point is a serious evil. From the replies received from Provincial Governments we notice that there is little difference of opinion on this issue. The evils of fragmentation are that it involves waste of time, money and effort; that it restrains the cultivator from attempting improvements; that it enforces a uniformity of crop, and especially restricts the growing of fodder crops in the period when cattle are usually sent out to graze in the fields. The remedy for fragmentation is consolidation which is "in reality the substitution—by exchange of land—of a compact block for a number of separate fragments. By this process, all the land of one holder may be formed into one plot only, or into a few plots of different kinds of soil." The Punjab has been a pioneer in undertaking this important reform. Initially, consolidation of holdings was effected in this province on a voluntary basis through a special type of co-operative society. At the end of July 1943, these societies numbered 1,807 and the area consolidated amounted to 1.45 million acres. In 1936, a Consolidation of Holdings Act was passed which provides a certain measure of compulsion. Consolidation operations undertaken under this Act have been carried out in 376 villages and 0.31 million acres have been consolidated. The work is now in progress in 85 villages. The operations, however, take time as, even under the Act, it is necessary to secure the consent of two-thirds of the landholders before effecting consolidation compulsorily. Inadequacy of trained staff has been another difficulty; it is hoped that this will diminish after the war.

24. Statutory provision for consolidation also exists in the Central Provinces and operations have been completed in 2,476 villages in the

1. The Report of the Royal Commission on Agriculture, page 129.

2. *Ibid*, page 134.

Chattisgarh division. In the United Provinces consolidation was encouraged, for a number of years through the co-operative movement but progress was very slow. Work is now proceeding under the Consolidation of Holdings Act which was passed in 1939 and brought into force in 1940. Difficulty has, however, been experienced owing to the dearth of trained officers and staff.

In Madras, an attempt was made in 1936 to consolidate holdings through the co-operative movement and 26 societies were organized for the purpose. The attempt failed, only 1,599 acres being consolidated, and the experiment was abandoned. Special legislation was not enacted and this is said to have been one of the causes of failure. One of the reasons which weighed with the Government of Madras in abandoning the experiment, was that "so long as subdivision has to go on, any attempt at consolidation of holdings was bound to fail." We think the importance of this consideration has been over-estimated. The occasion for subdividing a holding arises only at relatively long intervals, and the benefit of consolidation, once effected, is likely to be experienced for a considerable time. Further, as the Royal Commission on Agriculture observed, the progress of consolidation operations will have some educative effect and promote the habit of carrying out partitions with the minimum of fragmentation.

25. We note that, though very little has been done to remedy the evil of fragmentation in provinces other than those we have mentioned, there is general agreement in many provinces in favour of undertaking remedial measures. In Bombay, a Bill is under preparation to provide for the consolidation of holdings, and in Bihar, where under the permanently-settled estate system consolidation presents special difficulties, the question is under consideration by the Post-war Agricultural Reconstruction Committee. We recommend that the consolidation of holdings on the lines followed with considerable success in the Punjab and the Central Provinces, should be undertaken in all Provinces. Within each Province areas where fragmentation is a serious problem, should be located by special enquiry and taken up first for consolidation operations. We also recommend, in order to facilitate these operations, that stamp duties and registration charges should be remitted and fees for encumbrance certificates waived.

26. One of the contributory causes of fragmentation, apart from the manner in which partitions are effected, is the existence of unrestricted rights of transfer. The Royal Commission noted that, where restrictions were imposed on the alienation of land, the process of subdivision has been checked to some extent. In the replies received from certain Provincial Governments, reference has been made to pre-emption as a means of preventing fragmentation. The suggestion has been thus described: "It should be made obligatory on a person wishing to sell his share in a holding to offer the same to one or more of his co-sharers, and if none of them was willing to purchase the same, to the holder of one of the adjoining lands. In order to prevent the vendor from taking the plea that no one among his co-sharers or neighbouring tenants is prepared to offer a reasonable price,

provision may be made to enable the co-sharer or the adjacent tenant, willing to buy the land, to move a court of law to fix the value of land which the vendor must accept." We commend the proposal for consideration by Provincial Governments, but would add that, in place of the "Court of law," some simple arbitral machinery would be more desirable.

#### *Statistics*

27. Finally, we would draw attention to the defects in the statistical information as regards holdings and farms. Measures for increasing productivity must be based on full and accurate information as to how land is held and how it is cultivated. This means that for every village there should be a record of all holdings and farms, including farms held by cultivators who do not possess a right of occupancy in land. Further, the record should distinguish first, between holdings held by agriculturists and non-agriculturists and secondly, between lands held on cash and produce rents. Again, a basis of classification should be adopted for distinguishing between small, medium and large holdings and farms. Information about mortgages is also important and we suggest that the village records should contain particulars of these transactions. There should also be a system of returns, based upon the primary registers, which would enable statistics to be compiled and published in regard to (a) the numbers of and the extent of land in the different classes of holdings and farms, (b) the number of holdings and the extent of the land held by agriculturists and non-agriculturists respectively, (c) the extent of land cultivated under the crop-sharing system, and (d) mortgages. The figures should as far as possible, be compiled on a uniform system in all the provinces. It is further desirable that the primary registers should contain particulars of the number of cattle and farm implements possessed by cultivators. In spite of the difficulties involved we attach great importance (here as elsewhere in the report) to the improvement of statistics. We accordingly recommend that the existing system of records and registers maintained by village officers and subordinate revenue officers, as well as the system of returns based on them, should be reviewed. The existing system should be revised in such a manner as to enable the publication of a statistical abstract by each province, showing the particulars we have mentioned along with other statistics included in those publications.

#### *Summary of conclusions and recommendations*

28. Our main conclusions and recommendations are as below :—

(i) Measures for increasing the productivity of the land must be based on full and accurate information as to how land is held and how it is cultivated. At present, the statistical information available about "holdings" (the land in which a person has a permanent and heritable right of occupancy) is generally incomplete and practically no information is available about "farms" (the land actually cultivated by one person).

(ii) It is recommended that the existing system of records and returns should reviewed and be revised in such a manner as would enable the publica-

tion of a statistical abstract by every Province giving particulars, such as the numbers, extent, etc., in respect of different classes of holdings and farms.

(iii) Under all the land systems in the country small holdings are the rule and medium and large holdings are relatively few in number; the number of small holdings is increasing. The immediate cause of the progressive diminution in the size of holdings is subdivision.

(iv) Apart from measures designed to bring more land under cultivation and to increase industrial employment, no practical suggestion has been put forward for the prevention of subdivision without interfering with the laws of inheritance. A change in the laws of inheritance is not recommended. One Member (Sir Manilal Nanavati), however, takes the view that a change in the laws of inheritance is necessary. He is of opinion that if public opinion cannot be reconciled to such a change, the right of partition should be limited by prescribing the minimum size of a holding. The other members are not in favour of the latter proposal.

(v) The manner in which subdivision is effected leads to a progressive increase in the fragmentation of holdings. The remedy for the evil of fragmentation is the consolidation of holdings on the lines undertaken with success in the Punjab and the Central Provinces. It is recommended that consolidation should be actively undertaken in other Provinces.

(vi) The areas in each Province where fragmentation is a serious problem should be located by a special enquiry; and taken up first for consolidation operations. In order to facilitate such operations, stamp duties and registration charges should be remitted and fees for encumbrance certificates waived.

(vii) Some limitation on the existing rights of unrestricted transfer is necessary and desirable in order to prevent increase in fragmentation. The possibility of introducing a system of pre-emption which would secure this result is suggested for consideration by Provincial Governments.

#### D.—THE OCCUPANCY-RIGHT-HOLDER AND THE NON-OCCUPANCY TENANT

29. In this section we shall consider the second of the three classes of problems to which we referred at the end of section B, namely, "the tendency for land to be held by occupancy right-holders who do not attend to its efficient cultivation, and who lease such lands to tenants on terms which are believed to inhibit efficient cultivation by such tenants." Does this tendency exist? Is inefficient cultivation common? To what extent do occupancy right-holders cultivate their lands themselves with or without the aid of hired labour, and to what extent is their land cultivated by tenants without permanent rights? What are the terms on which land is let by the occupancy right-holder? What type of lease is conducive to efficient cultivation, and what type is not? These are important questions. We shall briefly review the facts and opinions which have been furnished in reply to our questions. We may say at the outset that, so far as the relative efficiency of cultivation under different systems of farm management is concerned, very little factual

information is available. Some statistics are available about the proportion of land held by non-occupancy tenants, that is, tenants-at-will, in different parts of the country, but even this is far from complete or accurate.

#### *Sind*

30. As far as we can ascertain, large holdings are more common in Sind than in other provinces and only about one-fifth of the land is held by small holders. Roughly four-fifths of the cultivated land are held by "zamindars" and the predominant method of cultivation is the *batai* or "crop sharing" system. Under this system, the cultivator (*hari*) provides his own labour and that of his bullocks in return for half the crop. The system is believed to "get as much out of the land as the quantity and quality of the labour available permits, and shields the cultivating classes from many evils." The Government of Sind have expressed the view that "rack-renting is not a possibility in Sind under the crop-sharing system owing to the shortage of agricultural labour." It is only in cases where the zamindar leases his land to a lessee who cultivates the land through others on the crop-sharing system, that there is a tendency for cultivation to suffer. The reason for this is that the period of the lease is short, and the lessee, therefore, has little incentive to keep the land in good condition. The extent of such land, however, is less than 8 per cent of the total.

#### *The Punjab*

31. The cultivated area in the province for the quinquennium ending 15th June 1942 was 31.17 million acres, of which 15.25 million acres—that is, nearly one-half—were cultivated by tenants-at-will. All these tenants-at-will are, however, not without lands of their own; the majority are owner-cultivators in one field and tenant-cultivators in the adjoining or nearby one. "The great majority of them pay rent in kind (*batai*) and this generally amounts to half the produce. On land irrigated from wells, it is generally one-third of the produce and it may be less; but the usual practice is to pay half the crop. The tenant-at-will has to bear the expenses of cultivation and provide the plough and cattle, but his landlord sometimes provides half of the seed." The Punjab Government have mentioned the following defects of this system: "The landlord has not taken to mechanical farming and still looks to Government for a lead. His net profits from cultivation through tenants are comparatively higher and he, therefore, tends to feel satisfied and to show insufficient interest in extension of cultivation or in improvement of land or its method of farming. . . . The tenants are sometimes rack-rented, poor and insecure and consequently have neither the means nor the necessary incentive to effect improvements."

#### *Bengal*

32. Enquiries made at the instance of the Land Revenue Commission showed that, in this province, approximately one-fifth of the land is cultivated through *bargadars* on a crop-sharing system, the occupancy-right-holder and the *bargadar* each taking one-half of the produce. There is also another category of tenants known as "*under-raiyats*" who hold rather less than one-eleventh of the cultivated lands and who unlike the *bargadars*, are protected



by tenancy legislation and possess security of tenure. In many cases under-riayats are the actual occupancy-right-holders and the raiyats who lease their lands to them are little more than rent-receiving intermediaries. The Land Revenue Commission considered the merits of the *barga* system and by a majority recommended that *bargadars* should also be recognized as protected tenants with security of tenure, and that the rent should be limited to one-third of the gross produce. The majority, while agreeing that the system had "many advantages," stressed its disadvantages in the following terms: "The *barga* system overrides the principle that the tiller of the soil should have security and protection from rack-renting. No one denies that half the produce is an excessive rent. Further, the balance of opinion in all countries is that this system of cultivation is not economic and, therefore, not in the interests of the community as a whole. The cultivator only gets the benefit of half the value of any increase in yield which is the reward of his own labour or enterprise. If the crop is even a partial failure, he does not earn the cost of cultivation." A minority of the Commission held a different view. They pointed out that the system is in vogue in France, Italy, America, Australia, and other countries and added that "In a country of small holdings cultivated by an army of indigent raiyats depending on private money-lenders and rainfall, the *barga* system is not only inevitable but also wholesome. Moreover, the system is as old as the country itself and should not be abolished." On the question of security of tenure, the minority held that "in a share-tenancy mutual trust is the core of the system, and although *bargadars* have no written leases, they are little disturbed. A written lease which will be the 'material for lawyers' tends to impair the trust on which the system is based." The minority also criticized the proposal to limit the rent to one-third of the gross produce, and pointed out that this was also the maximum in the case of underraiyats, "with whom the higher-grade raiyat has little connexion except the receipt of rent. In a share-tenancy, the supervision and constant vigilance of the landlords on the *bargadars* is essential, but under the recommendation they will be entitled to no better remuneration for the services rendered and the uncertainties and risks inherent in share-produce faced."

*The United Provinces and the Central Provinces*

33. The following table shows the land held in the United Provinces by proprietors in cultivating possession (*sir* and *khudkasht*) and that held by various classes of tenants:—

			Million acres.
A.	<i>Sir</i> and <i>Khudkasht</i>	... ..	5.26
B.	(i) Hereditary tenants	... ..	14.99
	(ii) Occupancy tenants	... ..	10.41
	(iii) Ex-proprietary tenants and holders of special tenures in Oudh	... ..	0.81
	(iv) Fixed rate tenants and permanent tenure holders	... ..	0.71
C.	Non-occupancy tenants	... ..	0.19
			<hr/> 33.07 <hr/>

All tenants, except non-occupancy tenants, have hereditary rights. The fixed rate tenants and the permanent tenure holders (category B, class IV), possess the right of transfer but the holdings of all other tenants are non-transferable. In reply to our questionnaire the Provincial Government have informed us that throughout the major part of the province the rents payable by the tenants have been "modified to a fair pitch" as the result of settlement operations, and tenancy legislation provides a fairly effective control against the rack-renting of tenants.

In addition to tenants, there are sub-tenants who hold from year to year and are tenants-at-will. These sub-tenants usually pay a rent approximating to half the produce. We have no information about the area of the land cultivated by sub-tenants but it is probably not very large, for there are restrictions on sub-letting and the penalty for illegal sub-letting is ejection. Under the Tenancy Act of 1939, ex-proprietary occupancy and hereditary tenants in Agra are allowed to sub-let again after the expiry of three years. The same provisions apply in Oudh with the exception of tenants holding under special tenures and occupancy tenants. Non-occupancy tenants may sub-let for one year only and may sub-let again only after an interval of one year. The Government of the United Provinces have informed us that the number of tenants ejected for giving sub-leases in contravention of the provisions of the Act has been considerable.

Figures are not available for the Central Provinces but the position as regards rack-renting appears to be the same as in the United Provinces. The Provincial Government observe. "Rackrenting is not a substantial menace. The tenancy laws provide safeguards against it."

#### *Bihar*

34. Certain figures collected from survey and settlement reports indicate that in Bihar the extent of land held by non-occupancy ryots and under-ryots is 0.66 million acres as against a total of 24.48 million acres; 20.36 million acres are held by different classes of ryots with a permanent and heritable right of occupancy and 3.46 million acres by proprietors and tenure-holders in cultivating possession. Some of the survey and settlement reports were written many years ago. The figures therefore do not accurately represent the present position, but they give an idea of the relatively small proportion of land held by persons without occupancy rights.

The non-occupancy tenants, as well as a small section of occupancy ryots, pay various kinds of produce-rents. Under the *batai* system the tenant's share varies from one-half to one-third of the crop and the land-lord's share from one-half to two-thirds. Other forms of produce-rent are grain-rents assessed at a fixed rate per local unit of area, or at a fixed quantity for the whole of the holding. As a result of recent legislation, the produce-rent payable by occupancy-right-holders has been limited to 9/20ths of the produce. This, however, does not affect non-occupancy ryots and under-ryots. The Bihar Government observe: "There is practically no rack-renting in this

province. Certain classes of tenants who hold *bakasht* lands or are under-ryots of big cultivators are the only class who can be said to be rack-rented. But in consequence of recent amendments in tenancy legislation resulting in considerable reductions in rents, rack-renting has been very much controlled.

#### Orissa

35. No figures are available which distinguish the extent of the land held by occupancy-right-holders from that held by non-occupancy tenants. Cash rents are a common feature in this province but we are told that "a considerable area is held on produce-rent which is generally of two kinds. The commonest form is known as *dhulibag*, which implies equal division of the by-products as well as grain. The second form is that known as *Sanja* (contract) under which a fixed quantity of produce is paid. Payment of half the produce or its commuted value practically leaves to the cultivator less than his bare subsistence requirements." The Government of Orissa suggest that a suitable remedy would be to amend the tenancy laws and limit the rent legally leviable to one-third of the gross produce.

#### Madras and Bombay

36. In Madras "there are two important types of tenancy, under the occupancy-right-holder, namely, the *varam* and the *kuthagai*." Under the former the tenant pays as rent a share of the crop, whereas under the latter he pays a fixed sum in cash or a fixed amount of produce. Variations occur under both systems depending on the nature of the land, the irrigation facilities, seed, manure, and plough cattle provided by the landlord or tenant respectively and the kind of crop raised. There is no information showing the extent of land cultivated by tenants without occupancy rights. As regards the incidence of the rent payable by them, the Madras Government observe: "It cannot be said whether the cultivating classes are rack-rented generally in any area in the province, as sufficient information is not available. There is nothing to prevent the tenant of a ryotwari ryot or of an occupancy ryot or of an *inamdar*, possessing both *varams* in the land, being rack-rented. More research into tenancy conditions is necessary."

The position is similar in Bombay, and the Bombay Government have commented as follows: "The tenant who cultivates land on lease, which is generally annual, is not sure how long the lands would remain in his possession as the landlord has power to resume the lands at the end of the year after giving three months' notice to the tenant. The tenant has thus no permanent interest in lands. In many cases, lands are leased on the crop-sharing rent, and if the tenant sows improved seed or puts in good manure or extra labour to improve the land, half of the increased produce so obtained at his cost goes to the landlord, and thus the tenant does not get a proper return on his labour and enterprise. The absentee landlord cares only for his annual rent and takes no interest in the improvement of his land or the introduction of improved methods of cultivation. With a view to give some stability to the existing tenants and to encourage them to take interest in the lands leased to them, the Tenancy Act was passed in 1941. Under this Act, the landlord cannot resume lands

from the existing tenant at least for a period of ten years and cannot increase his rent, except for improvements carried out at the landlord's expense. The Act has been applied to selected areas to begin with and it is proposed to extend it to other areas in course of time."

*The North-West Frontier Province and Assam*

37. The Government of the North-West Frontier Province have observed that "rack-renting is an unknown feature in this province since tenants receive a share of the crop from the threshing floor, varying from one-third to two-thirds of the produce according to the local conditions." The Assam Government observe that "There is rack-renting in the zamindari areas," but have not furnished other details.

*Factors tending to inefficient cultivation*

38. It is evident from the foregoing review that the proportion of the land cultivated by non-occupancy tenants varies very considerably in different parts of the country. It is relatively large under the ryotwari land system, and particularly so in the Punjab and Sind; it is probably somewhat smaller but still considerable, in the areas under the permanently-settled estate system and is relatively small under the temporarily-settled estate system. The terms on which land is held by this class of tenants vary, but it is noticeable that the crop-sharing system generally predominates and exists in all provinces. Doubts and differences of opinion exist as to the effects of this system on the efficiency of agricultural production. It seems to us *prima facie* probable that production must suffer where the tenure of the cultivator is insecure, and the incidence of the rent so heavy as to leave the cultivator an inadequate return for his labour and enterprise. At the same time, it has been urged that, in many areas where the crop-sharing system prevails, the tenure is more secure in practice than in theory. Again, there is a striking difference of opinion as to what constitutes an excessive rent. While the majority of the Land Revenue Commission in Bengal say that "no one denies that half the produce is an excessive rent," the Government of Sind have said, in respect of the same system in their province, that "rack-renting is not a possibility owing to the shortage of agricultural labour." In the North-West Frontier Province, rack-renting is said to be an unknown feature, though a produce-rent at the rate of two-thirds of the produce prevails in some cases. It is obvious that a share of the produce, say half, may give the cultivator a fair return for his labour and enterprise where the productivity of the land is high but may not where it is low. Again, the adequacy of the return to the cultivator must inevitably depend on whether he is able to secure a sufficiently large area for cultivation, and this is more likely to be the case in some parts of the country than in others, depending on the pressure of population on the soil.

Further, a *prima facie* defective system of leasing may yet be consistent with a high degree of efficiency of production where the occupancy-right-holder takes an interest in the cultivation of the land, exercises close supervision over his tenant and assists him with plough, cattle, manure, etc.

This may and does not always happen, as, for example, where the occupancy-right-holder is an absentee not effectively represented on the land, is not himself a professional agriculturist or for some other reason takes no interest in the cultivation of the land.

39. The replies we have received to our enquiry about the prevalence of absenteeism indicate that the evil exists, is increasing in some parts of the country, and that the extent to which it prevails varies. It is generally agreed that where it exists it is an important factor tending to restrict production, since neither the absentee landlord nor the short-term tenant is interested in investing capital on the improvement of the land, or the adoption of intensive methods of cultivation.

The tendency for land to pass out of the hands of the cultivating classes into the hands of non-agriculturists was a well-marked feature in many parts of the country during the 'thirties' of this century. There are indications, however, that the process has been checked and that, at present, transfers of land from the small holder to agriculturists with larger holdings are, generally speaking, more common than transfers to non-agriculturists.

40. The broad conclusion to which we are led by our preliminary survey of this subject, may be stated as follows. The terms on which land is let by occupancy-right-holders to non-occupancy tenants are a material factor in determining the efficiency of agricultural production. It is desirable that the terms of tenancy should be such that either the occupancy-right-holder provides the facilities necessary for efficient cultivation or the non-occupancy tenant holds on conditions as to duration of tenancy and rent which provide an adequate incentive for efficient cultivation. Tenancy conditions which are conducive to efficiency of production vary in different tracts. Whether or not the conditions prevailing in any tract are a handicap to an increase in production should, in our opinion, be carefully investigated. We, accordingly, recommend such investigation.

#### *The crop-sharing system*

41. One of us (Sir Manilal Nanavati) feels convinced that the crop-sharing system is incompatible with efficiency of production and considers that steps should be taken to abolish it. He suggests that, where large holdings are cultivated on this system, they should be acquired by the State and resold on reasonable terms to cultivators who either have no land of their own, or whose holdings are too small to support them and their families. The new holdings should, as far as possible, be economic holdings, and inalienable except with the permission of Government. Alternatively, he suggests that tenancy legislation should be undertaken for the purpose of fixing cash rents for lands held on the crop-sharing system and conferring occupancy rights on the tenants. We have carefully considered these proposals, and are of the opinion that they are open to objections.

42. We have drawn attention already to the difference of opinion and the doubt which exist about the merits of the crop-sharing system. It is, however, undeniable that the system is "as old as the country" and prevails

in all provinces and more especially in those areas where pressure of population on the land is not acute. In these circumstances, we are unable to agree that the system is intrinsically unsound in all circumstances. We have, however, already indicated that in certain areas and under certain circumstances, the system may be responsible for inefficiency of cultivation. In such cases, it is clearly necessary that suitable remedies should be found. This is why we have recommended that a detailed investigation of the subject should be undertaken.

43. The suggestion that large holdings should be acquired by the State and re-sold on reasonable terms to landless cultivators or small holders is unacceptable to us for the following reasons. First, we are not convinced that the change will necessarily tend to an increase in agricultural efficiency. A policy directed to inducing or compelling large holders to apply their resources to the more efficient cultivation of land, is likely to yield better and quicker dividends in the shape of increased efficiency than the multiplication of small holdings. Secondly, the proposal is likely to prove unworkable in practice if fair compensation is paid for the lands acquired and the cost of acquisition is recovered in full from small holders. A large amount of capital outlay and a considerable amount of subsidization would in practice be found necessary. These would be far better devoted to the provision of facilities necessary for improving the productivity of the land than to any scheme of redistribution of land.

We are also not satisfied as regards the advantages of the alternative suggestion, namely, that cash rents should be fixed by law and occupancy rights conferred on the tenants. This would involve the conversion of the present owners into a new type of statutory rent-receivers at a time when the existence of rent-receiving intermediaries between the occupancy-right-holders and the Government is urged as a justification for the abolition of the permanently-settled estate system. If cash rents are fixed so as to approximate to an economic rent, the tenant is likely to be no better off, and may, in fact, be worse off, as a result of the change. If, on the other hand, cash rents are fixed below the economic rent, it is probable that the land would not be let except on the payment of a premium. Again with cash rents below the economic rent there would be scope for subinfeudation and steps would have to be taken to prevent sub-letting by the tenant newly inseted with the occupancy right. The course proposed seems, therefore, likely to create more problems than it solves.

44. We incline to the view that the settlement of tenancy conditions, fair and equitable to both landlord and tenant, must be a flexible process capable of adaptation to varying circumstances. It has been suggested that a solution of this problem must be sought in the same way in which improvement of labour conditions has been secured in industry, that is, by developing the principle of collective bargaining supplemented by arbitration. We commend this suggestion for consideration. In a subsequent chapter we shall explain why, from many points of view, it is desirable that cultivators of small

farms should be organized in multi-purpose co-operative societies. If these societies are formed, they would, in addition to helping the farmer in other ways, also help to promote collective bargaining between large landholders and their tenants and establish healthy tenancy conditions. Another way in which tenants could be organized would be by the formation of co-operative rent societies. Such societies would take on lease land from large landholders and let it out to their members. Co-operative societies have been tried for this purpose in Europe.

*Association of large landholders (occupancy-right-holders.)*

45. While we have given our reasons against a drastic interference with the existing rights of large holders of land, we desire to make it clear that neglect of the land or inefficiency of cultivation should not be tolerated. Throughout this report we have emphasized the importance of securing a substantial increase in the output of land already under cultivation. On this depends the welfare of the growing population of the country. It is therefore, clearly the duty of all occupancy-right-holders to manage the lands held by them to the best advantage and improve their productivity. This is particularly the case as regards the larger landholder who naturally possesses more resources than the small holder. We recommend that public opinion should be educated on this point, and we would particularly urge that large landholders as a class should realize their duty and group themselves in organizations with the aim among others, of securing the discharge of this duty by individual members. In some parts of the country, agricultural associations have been formed by leading landholders. We believe that such associations would perform a valuable function if they undertook a critical review of the methods of cultivation practised by their members, and took steps to encourage the general attainment of the standard of efficiency reached by the best among them, so that a spirit of healthy competition may be promoted, a sense of pride in making the best use of the land generated, and the general standard of cultivation progressively increased. We recommend that the methods by which the formation of such agricultural associations might be promoted, and their activities stimulated and assisted by local officials, should be studied.

*Summary of conclusions and recommendations*

46. (i) The terms on which land is let by occupancy rightholders to non-occupancy tenants are material factors in determining the efficiency of agricultural production.

(ii) It is desirable, in principle, that the terms of tenancy should be such that either the occupancy-right-holder provides the facilities necessary for efficient cultivation, or the non-occupancy tenant holds on conditions as to duration of tenancy and rent which provide adequate incentive for efficient cultivation.

(iii) Whether or not the tenancy conditions actually prevailing in any tract are a handicap to an increase in agricultural production should be carefully investigated. Such investigation is recommended.

(iv) The formulation of suitable remedial measures will depend on the results of investigation. The possibility of improving tenancy conditions through the spread of co-operation among farmers and the development of the principle of collective bargaining supplemented by arbitration, deserves to be examined.

(v) It should be recognized that occupancy-right-holders, particularly large landholders, have a duty to manage their lands to the best advantage and improve their productivity. The organization of large landholders in agricultural associations with the aim, among others, of improving the standard of cultivation is desirable. The methods by which the formation of such associations might be promoted and their activities stimulated and assisted by local officials, should be studied.

(vi) One of us (Sir Manilal Nanavati) considers that the crop-sharing system should be abolished by legislation; that the State should undertake the acquisition of land from large landholders for re-sale on reasonable terms to landless cultivators and small holders; or, in the alternative, that tenancy legislation should be undertaken with a view to fixing cash rents for lands held on the crop-sharing system and conferring occupancy-rights on the tenants. For the reasons stated in paragraphs 42 and 43, the Commission do not agree with these proposals.

#### E.—THE PERMANENTLY-SETTLED ESTATE SYSTEM

47. The last of the three classes of land tenure problems to which we consider attention should be drawn, relates to the permanently-settled estate system. The view has been expressed that it is desirable that this system should be abolished and the ryotwari system introduced in its place. The evidence before us indicates that there is a growing body of opinion in favour of this view.

48. Towards the end of 1938, the Government of Bengal appointed a Commission to enquire into the system of land revenue in that province with special reference to the permanent settlement. The Commission submitted its report early in 1940, and recommended by a majority the abolition of the system and its replacement by the ryotwari system. A brief summary of the reasons which weighed with the majority in making this recommendation is given in Appendix II as well as the grounds on which the minority opposed it. The Government of Bengal have accepted the majority view in principle. They have also decided that operations should be undertaken on an experimental basis in the Faridpur district, and we understand that necessary action to implement this decision is proposed to be taken as soon as normal conditions return.

49. Apart from Bengal, the permanently-settled estate system exists in Bihar, Madras, Orissa, Assam and the United Provinces. In the United Provinces, the permanently-settled area is only about one-tenth of the total area of the province, and the Provincial Government have offered no comments on the matter. The replies received from other Governments indicate



general support of the view that the abolition of the permanently-settled estate system is desirable.

*The Bihar Government* hold the view that the permanently-settled estate system stands in the way of an increase in agricultural production and an improvement in the standard of life of the cultivating classes, and that it is desirable that the "abolition of the system should be seriously considered by the State." At the same time, they point out that "Government khas-mahals are not conspicuously superior to many private estates, nor is the standard of life of a raiyat in the raiyatwari provinces much superior to that of a raiyat in permanently-settled areas," and that it would be necessary to undertake "large scale reorganization of agriculture including co-operative farming, large scale irrigation and intensive and widespread application of all the well-known methods of agricultural development, besides providing outlets for surplus agricultural labour." The acquisition by the State of intermediate proprietary interests between the ryot and the State is conceived by the Bihar Government as a step which should be taken in order to facilitate these developments.

The subject is not so fully discussed in the replies from other Governments. *The Government of Assam* observe that "under the zamindari system there is a general feeling of insecurity and, short of abolishing this outmoded system, no other change will give the full result."

*The Madras Government* remark that the zamindari system appears to have outlived such usefulness as it may once have possessed, and many zamindars would welcome its abolition subject to reasonable compensation for the loss of their rights.

*The Government of Orissa* express the view that though the ryotwari system is preferable to the permanently-settled estate system, the "only possible remedy," namely, the abolition of the latter "does not seem to be a practical proposition at least for many years to come." They, therefore, consider that a better course would be to endeavour to remove its defects. They make two recommendations, namely, first, to require the zamindars, particularly of large estates, by legislation to set apart a certain sum every year for expenditure on irrigation facilities and protective works; and, secondly, to lay down by law that "no estate having a land revenue below Rs. 500 should be admitted to partition."

50. On a review of the foregoing replies, we have no hesitation in concluding that the programme of rural economic development which has to be undertaken in the immediate post-war period, will encounter special difficulties in permanently-settled areas. We recommend that enquiries should be undertaken in those provinces (other than Bengal) where the permanently-settled estate system prevails, and a definite policy formulated in regard to the future of the system. Such enquiries should be directed to the following points:—

(i) What are the specific defects of the permanently-settled estate system as actually functioning in the province, as distinguished from those

defects which are common to all the land systems in the country ; and to what extent do they present difficulties in the way of improving agricultural production and increasing the standard of life of the cultivating classes ?

(ii) What measures should be undertaken, as long as the system continues in order to remedy the defects and remove the difficulties in question ?

(iii) What are the financial and administrative implications of the acquisition by the Government of interests intermediate between the ryot and the Government and the introduction of a ryotwari system ?

We consider it necessary that the possibilities of reform of the system should also be investigated, because the financial and administrative implications of abolition may be such as to render it a long-drawn-out process. In fact, as we shall explain below, this is how the process is visualized by the majority of the Land Revenue Commission, Bengal.

51. The Land Revenue Commission, Bengal, estimated that, on the basis of compensation at 15 times the net profit, the total compensation payable to holders of proprietary interests would amount to Rs. 137 crores <sup>1</sup>. They also calculated that if this sum could be raised at 4 per cent, the additional net revenue accruing to Government as a result of the acquisition would be just about sufficient to discharge the debt in 60 years. One hundred and thirty-seven crores is a large sum of money—very nearly equal to the total capital outlay on all irrigation works carried out in British India up to the end of the year 1932-33—and the sum represents only the cost of acquisition in one province. The cost of acquisition in all areas where the permanently-settled estate system prevails, would be several times larger. From the financial point of view, therefore, it seems to us likely that the abolition of the system cannot be carried out *within a relatively short time*, without incurring financial commitments which might seriously restrict the resources of public borrowing available for other urgent schemes of development in the post-war period. Priority in the allocation of available resources should be given to large schemes of irrigation or industrial development which—unlike a scheme designed to replace one land system by another—are calculated directly to increase the productive resources of the country.<sup>2</sup>

1. The basis on which compensation should be assessed was a subject on which there was a division of opinion even among those members of the Land Revenue Commission who recommended the abolition of the system. Inasmuch as it was common ground between the majority and the minority of the Commission that, on the basis of compensation assessed at 15 times the net profit, the present income of the proprietors of the estates was likely to be reduced by approximately one half and that the reduction was likely to be even greater if compensation was assessed at 12 or 10 times the net profit, we have assumed in our report that the cost of acquisition estimated on the basis of 15 times the net profit is unlikely to be an over-estimate of the financial liability involved.

2. It has been suggested that there are other modes of compensation besides those considered by the Land Revenue Commission, Bengal, which can be devised and given effect to without resort to borrowing. Thus, the capitalization of the net profits of proprietors might be avoided altogether and a system of annuity payments to be made out of the

Apart from the financial, there is also an administrative aspect. The revision of the record of rights is an essential preliminary to a scheme of State acquisition. The settlement operations necessary are of such a character that the Land Revenue Commission, Bengal, concluded that "it would not be possible to carry out a scheme of State acquisition in less than thirty years". The Commission, having taken into account both the financial and administrative aspects of their recommendation, expressed the opinion that the work should be undertaken district by district, and as the work in each district was completed and the compensation assessed, loans may be raised by "instalments of perhaps 4 crores" for payment of compensation. This is the position in the only province in which the subject has been specially examined. Other provinces have not yet undertaken such an examination.

In these circumstances, we consider that the permanently-settled estate system is unlikely to be replaced by the ryotwari system within a relatively short period, and hence there is need for ensuring that the system functions properly, as long as it continues. We shall accordingly review in broad terms those aspects of the system which appear to us to call for reform.

#### *Maintenance of irrigation sources*

52. In those estates in which irrigation sources exist, it is a recognized obligation of the proprietor to maintain them. This obligation is in general not satisfactorily discharged. We have explained in a previous chapter<sup>1</sup> the important part which irrigation from private sources plays in providing water for agriculture, and the extent to which private irrigation works are in disrepair. The replies we have received from Provincial Governments indicate that neglect of irrigation sources is common in all permanently-settled areas. There are exceptions, no doubt, to any such general statement, and the standard of maintenance in some estates may be as good as in ryotwari areas, but in general, it is much lower and this must have an important effect on agricultural production. We have referred already to the enactments intended to deal with this evil, e. g. the Bihar Private Irrigation Act, of 1927, the Bengal Tanks Improvement Act, 1939, and the Madras Irrigation Works (Repair, Improvement and Construction) Act of 1943. While we welcome these measures as steps in the right direction and have suggested their strict enforcement, we feel that more effective remedies are required. It is not sufficient that Government should be in a position to carry out additional revenue resources acquired, might be feasible. We have not had an opportunity to investigate the possibilities of these suggestions, and we note that it may not be possible to avoid capital payments in cash or bonds in many cases, such as, small proprietors or creditors, and there would in any case have to be a guarantee by the State of annuity payments. In these circumstances, we think we are right in assuming that a change in the mode of compensation visualized by the Land Revenue Commission, Bengal, may not materially alter the conclusion reached by that Commission that it would take 30 years to replace the present land system by a ryotwari system.

works which proprietors ought to have carried out but failed to do. It is necessary to ensure that proprietors realize their responsibilities and carry out the necessary works.

*Incidence of rent payable by occupancy-right-holders*

53. It was made abundantly clear by the Land Revenue Commission that, so far at least as Bengal is concerned, the incidence of *rent* payable by occupancy-right-holders is not a serious problem. On this question, there is no disagreement between the majority and the minority of the Commission. The Commission visited Madras, the United Provinces and the Punjab, and found that, in relation to the value of the gross produce, the *rent* paid by ryots in Bengal was, subject to certain exceptions, smaller than the *revenue* paid by ryots in Madras and the Punjab, and much smaller than the *rent* paid by tenants of temporarily-settled estates in the United Provinces. The Commission came to the conclusion that on all relevant standards of comparison, "there would be justification for enhancements rather than reductions of rent in Bengal." This did not, however, mean that rents were of the same low pitch in all estates; "there are high contractual rents in Bengal which could certainly not be enhanced and would even be reduced if the systems of assessment in force in other provinces were applied to those particular tenancies." We have not seen the results of a similar investigation into the incidents of rents in permanently settled areas of other provinces. The impression we gain, however, from the replies received from the Provincial Governments is that rent tends to be high where it is paid in kind, and that it bears a smaller proportion to the value of the gross produce where *cash* rents prevail. This is particularly the case to-day when the price of produce is high.

In these circumstances, we think it would be desirable from the point of view of improving agricultural production, and also expedient for the purpose of decreasing arrears of rent and litigation; that the law should prescribe a maximum rate of rent payable by ryots to proprietors of permanently-settled estates.

54. How is this statutory maximum rent to be fixed? We think this should be investigated. Our suggestions based on such material as we have been able to consider are as follows:—

(i) It has been suggested that in Madras the rents prevailing in permanently-settled estates can be compared with the land revenue assessment on ryotwari lands. Where such comparison is possible, the statutory maximum rent should be fixed with reference to the rates of land revenue payable on ryotwari lands—and if such rates differ, the highest of such rates. We commend this suggestion for consideration in those areas where its application is practicable.

(ii) This method may not be practicable in Provinces of the Eastern Region, and another basis may have to be found for defining the statutory maximum.

(a) It has been suggested that, where produce-rents prevail, one-third of the gross produce should be prescribed as the statutory maximum of rent in kind payable by ryots. The Land Revenue Commission, Bengal, considered this to be a suitable limit in respect of the crop-sharing tenants of Bengal to whom they proposed that legal protection should be extended. The same ratio has been also put forward as suitable by the Orissa Government.

As an alternative it has been suggested that the statutory maximum of rent in kind should be fixed as one-half of the net produce. This would have the effect of approximating the statutory maximum in permanently-settled estates to the theoretical maximum accepted as the basis of ryotwari settlements in the past. It could not, however, be automatically applied and it would be necessary to define (by law or statutory rule) a certain quantity of produce per acre as representing the average cost of cultivation, and declare this quantity to be exempt from division. The maximum rent in kind would then consist of one-half of the produce which remains after the amount exempted from division is excluded from the gross produce.

(b) If the statutory maximum rent is fixed in accordance with either of these two criteria, it would be easy of application where produce-rents prevail. Where, however, cash rents are the rule, it would be necessary to devise a method by which it could be ascertained whether a cash rent exceeds the statutory maximum. We suggest the following as a suitable criterion. The test would be whether a ryot who complains that a cash rent is excessive, is prepared to change over to a rent in kind at the maximum rate prescribed by law. If he is, it may be fairly presumed that the cash rent is excessive. In such cases, a simple procedure should be evolved to facilitate agreement between the proprietor and the ryot on a reduced cash rent or, failing such agreement, for a change-over to the statutory maximum rent in kind.

#### *Arrears of rent and litigation*

55. In many estates (though not again in all) ryots owe large arrears of rent to proprietors and there is a considerable amount of litigation. This is due to two causes. First, the standard of management is not satisfactory, regular accounts are not kept, and a staff of the requisite calibre is not employed, with the result that rent is not collected as efficiently as by Government agencies under the ryotwari system. Secondly, the procedure for the coercive recovery of arrears of rents is generally not as simple as that for the recovery of arrears of land revenue. In certain permanently-settled areas, notably in Bengal, where, as the Land Revenue Commission found, "the procedure is expensive and harassing both to landlord and tenant and . . . unnecessarily cumbrous and dilatory . . . When rent suits are defended, the amount paid on account of costs, lawyers' fees, and the numerous journeys to and from the civil courts are out of all proportion to the rent claimed . . . The disposal of rent suits . . . not infrequently takes three or four years, which means that a landlord who is suing for three years' arrears may receive nothing for seven or eight years." The two causes we have mentioned are to some extent connected. For, if estates are managed

efficiently, proper accounts kept, and a trustworthy staff employed, not only would the arrears, to be recovered by coercive process, be much smaller than they are at present, but there would also be less justification for maintaining cumbrous and dilatory processes as a safeguard against oppressive proceedings on the part of proprietors. The true line of reform in this connection consists not merely in simplifying the process of recovery of arrears but also in taking steps to secure an improved standard of management.

*Lack of contact between Government and the people*

56. This, in our opinion, is the most important among the considerations advanced by the Land Revenue Commission in favour of the abolition of the system. The point is stressed by the Government of Bihar. In our report on Bengal, we drew attention to the absence of a subordinate revenue establishment in that province, comparable with that maintained in temporarily-settled provinces, and pointed out how such an organization would have been of the greatest value to the Government of Bengal, in dealing with the food situation in 1943. Elsewhere in our present report, we have explained how, in view of this handicap, it is not possible for provinces like Bengal and Bihar to adopt schemes of procurement and distribution involving full monopoly. Such schemes have been introduced with success in areas under the ryotwari system. It is important that this weakness should be remedied; since the need for an efficient organization in rural areas will not disappear with the end of the war but will, on the contrary, increase, if post-war schemes of rural development are to materialize. One of the advantages of a scheme of State acquisition of proprietary interests, is that the resources which at present are applied by proprietors to the management of their estates, would become available to Government for the establishment of an official organization for the collection of revenue and the maintenance of village records. As long, however, as the permanently-settled estate system prevails, the maintenance by Government of an organization comparable with that in ryotwari areas, is likely to prove difficult and disproportionately costly. If, however, steps are taken—and we have pointed out that this is necessary for other reasons—to ensure that the standard of management of estates is improved and a qualified and efficient staff employed, we think it should be possible to secure the performance through the proprietors of many functions which are at present performed in ryotwari areas by an official staff. The proprietors and their staff are, and necessarily have to be, in contact with the ryots in permanently settled areas to the same extent as the revenue establishment in ryotwari areas. There is, in our opinion, no good reason why they should not maintain accounts and records similar to those maintained by official agencies in ryotwari areas; nor is there any reason why they should not be required to engage themselves in those aspects of rural development which are likely to become of increasing importance in the future.

*Contribution to economic development*

57. We have little doubt that much of the unpopularity of the permanently-settled estate system is due to the fact that, by and large, and

subject to notable exceptions, proprietors fail to make an adequate contribution to the development of the resources of their estates. There are, of course, instances of estates which have set apart in the past considerable funds for religious and charitable purposes, and sometimes for the improvement of education and public health. If these had been more numerous and if, further, proprietors as a class had taken an interest in developing irrigation, providing other facilities for the improvement of agricultural production and the promotion of rural welfare generally, we doubt whether the defects of the system would have acquired so great a prominence. We think that one of the objectives of any scheme for the improvement of the management of estates, should be the raising of management standards among the general body of proprietors to the level of those of the best among them. They should be required to set apart a proportion of their net profits for utilization in a manner which would promote the improvement of agriculture and the standard of life of the cultivating classes in their estates.

*Removal of defects in permanently-settled estate system*

58. The removal of the defects in the permanently-settled estate system described above cannot be effected unless Government assumes the necessary powers of supervision and control. The fact has to be faced that, under the permanently-settled estate system, the proprietor functions as a private individual only in so far as the cultivation of his homefarm lands is concerned. In all other respects, the proprietor has to perform functions which are of substantially the same nature as those performed by the Revenue Department of Government in ryotwari areas, and of no less public importance. The criticisms of the permanently-settled estate system amount really to this—that public interest is not as well served by the private agency in question as by the corresponding Government agency functioning in ryotwari areas. This fact is becoming a matter of increasing public importance, in view of the widening scope of the activities of Government. It seems to us, therefore, necessary that Government should accept responsibility for ensuring that this private agency functions properly. Public interest justifies the assumption of the necessary powers by Government.

59. A policy of reform of the permanently-settled estate system would, therefore, require the enactment of legislation conferring power on Government to prescribe the standard of management which proprietors of estates should be required to maintain, and empowering administrative authorities to exercise such functions as may be necessary to secure it. The law should also provide sanctions against non-fulfilment of obligations thus laid on the proprietors. The standard of management which we refer to should include in particular (a) an adequate system of records and accounts and the employment of personnel qualified to maintain them; (b) the adequate maintenance of irrigation sources; (c) the localization of cases where the existing rent exceeds a prescribed legal maximum and the reduction of rents in such cases; and (d) the annual allocation of funds (the amount of which would be fixed with reference to the resources of the estate) to be utilized for specific purposes (laid down by law) in furtherance of rural development.

60. In some permanently-settled areas proprietary under-tenure holders are likely to present a serious problem. The true nature of this problem is often misunderstood, and it is sometimes inferred, from the mere fact that a large number of intermediaries intervene between the proprietor who pays the land revenue of the estate, and the ryot who possesses the right of occupancy, that the burden of rent on the ryot must be heavy. This is an erroneous view; as the Bengal Land Revenue Commission pointed out: "Ordinarily it (subinfeudation) does not mean that the cultivator has to pay a higher rent. It is a division of the rent payable by the cultivators among various grades of landlords and it is made possible in areas where there is a wide divergence between the rate of rent paid by the ryot and the revenue which the zamindar pays." The real objection to subinfeudation from the point of view we are considering, is that it would be inconsistent with any scheme of reform which is based on the principle of defining the responsibility for the management of estates and enforcing such responsibility. Such reform requires that there should be no more than one intermediary between the occupancy-right-holder and the Government. In other words, the principle of "One estate, one proprietor" should be accepted. This may be effected in more ways than one. Thus, the portion of an estate which is subject to an "under-tenure" might be formed into a separate estate. This would be a suitable course where the resources of the under-tenure are large. Alternatively, provision may be made for the compulsory amalgamation of a smaller unit with the estate of which it forms part, the interest of the under-tenure-holder being converted into a fractional share of the main estate. A third course which may be suitable in areas where permanently-settled estates and ryotwari lands are intermixed, would be for the rights in such estates to be acquired by Government. Which of these methods would be the most suitable would have to be decided with reference to the circumstances of each estate.

61. It is also likely that in areas where the process of subdivision and fragmentation of estates has already gone far, the estates may be so small and their resources so exiguous that they cannot maintain the high standard of management which we regard as essential, if the system is to function efficiently and in the public interest. Further, the existence of an unduly large number of very small estates may add greatly to the difficulties of maintaining proper supervision and control over the management of estates. There is thus a problem of what may be called "uneconomic estates"; and in these cases also, it may be necessary to resort either to compulsory amalgamation with the estates from which they may have been originally separated, or to acquisition by the State.

We fully recognize the difficulties attending reform, particularly in areas where subinfeudation is extreme and has reached, as in parts of Bengal, fantastic proportions. But we feel convinced that the possibilities of reform should be investigated and we would hope that many proprietors would, in their own interests, willingly accept measures designed to ensure that proprietors as a class fulfil their obligations.



One of us (Sir Manilal Nanavati) is not in agreement with us on this subject. His views are contained in a separate minute.

*Summary of conclusions and recommendations*

62. We may summarize our main conclusions on this subject as below:—

(i) The programme of rural economic development which has to be undertaken in the immediate post-war period, will encounter special difficulties in those areas where the permanently-settled estate system prevails.

(ii) A comprehensive enquiry into the permanently-settled estate system has been carried out in Bengal. It is necessary that enquiries should be undertaken in those provinces (other than Bengal) where the system prevails, and such enquiries should be directed to the following points:—

(a) What are the specific defects of the permanently-settled estate system as actually functioning in the province, as distinguished from those defects which are common to all the land systems in the country; and to what extent do they present difficulties in the way of improving agricultural production and increasing the standard of life of the cultivating classes?

(b) What measures should be undertaken, as long as the system continues, in order to remedy the defects and remove the difficulties in question?

(c) What are the financial and administrative implications of the acquisition by the Government of interests intermediate between the ryot and the Government and the introduction of a ryotwari system?

(iii) On the basis of the results of such enquiries, a definite policy should be formulated in relation to the future of the system. The further conclusions which follow are put forward as tentative results of a preliminary study of the subject, to be taken into consideration when the enquiries we have recommended are made.

(a) Having regard to its financial and administrative implications, it appears unlikely that the replacement of the permanently-settled estate system by the ryotwari system will be carried out within a relatively short period. There is, therefore, need for ensuring that the system functions properly as long as it continues.

(b) The more important features of a policy of reform have been discussed in paragraphs 52 to 57, and summarized in paragraph 59. Such a policy cannot be implemented and the defects of the system cannot be removed unless Government assumes powers of supervision and control over the management of estates. The assumption of such powers is justified in the public interest.

(c) A policy of reform is likely to meet with special difficulties in areas where subinfeudation prevails. In such cases, suitable methods would have to be devised for giving effect to the principle of, "one estate, one proprietor."

(d) Where subdivision and fragmentation of estates have already gone far, "uneconomic estates" would present a problem which may have to be solved by either acquisition or compulsory amalgamation.

# MINUTE OF DISSENT

by

SIR MANILAL B. NANAVATI

I very much regret that I have to differ from my colleagues regarding their recommendations in respect of the permanently-settled estate system which has been dealt with in Section E, Chapter I, Part IV of the report. While offering my own views on the subject I propose also to deal in this note with some of the aspects of agrarian reforms which should be considered when the whole question of land reform is studied by the provinces in a comprehensive way as recommended in paragraph 3, Chapter I, Part IV of the report. These have been successfully adopted in other parts of the world and may serve as a guide in drawing up plans for agricultural development in this country.

## A.—PERMANENT SETTLEMENT

2. *Working of the permanent settlement.*—In paragraph 4 the report has recommended that enquiries should be undertaken in the permanently settled provinces (other than Bengal) with a view to finding the *defects in the permanent settlement which present difficulties in the way of improving agricultural production and increasing the standard of life of the cultivators*, and with a view to suggesting measures that should be undertaken, as long as a system continues to exist, to remedy the defects and remove the difficulties in question. This indicates that the permanent settlement has been looked at in the report from the narrow view-point of economic usefulness while, as will be explained subsequently, wider issues such as the moral implications of the system, its inequitable basis, and the degenerating influence it exercises on the vast population under it have been completely ignored. At the same time, I consider such inquiries quite unnecessary. The majority of the Flood Commission, after careful consideration of all relevant factors, have already given their verdict against the retention of the permanent settlement in Bengal. A statement of the reasons that led them to this decision is given in the appendix. The origin of the permanent settlement and the various characteristics for which the system has fallen into disrepute being the same in every province, the decision arrived at in respect of Bengal can in no way differ from that in respect of the rest. For instance, the Commission found that the permanent settlement has involved the expropriation of the rights of the ryots, has rendered land revenue inelastic, has resulted in inequalities of assessment, has deprived the Government of the close contact with an intimate knowledge of agricultural conditions, has imposed an iron framework which has had the effect of stifling the enterprise and initiative of all classes concerned, has permitted the creation of a number of parasitic inrremediary interests between the zamindar and the actual cultivator, and has led to an immense volume of harassing and expensive litigation between the landlord and tenants; finally, they expressed the view that so long as the system remains, it would be difficult to evolve any satisfactory arrangement for revising rents all over the province on an equitable basis and for maintaining

the records of rights. These findings of the Commission are so clear-cut and definite that they leave no doubt about their being generally applicable to all permanently settled areas. The decision has already been accepted by the Bengal Government and there is no reason why the other provinces such as Bihar, Orissa, the United Provinces and Assam, where the problem is practically the same, should not accept this decision as equally applicable to them.

3. As in Bengal, the Government of Madras appointed a Committee to reconsider the provisions of the Madras Land Estates Act. Their report (1938) came to the following important conclusions :—

(i) That the zamindars were really rent-collectors and that the ryots were the real owners of the soil.

(ii) That the permanent settlement fixed not only the *peshkash* which the zamindar was to pay to the Government but also the rent which the ryot was to pay to the zamindar.

(iii) That in subsequent years the zamindars who were mere tax-gatherers receiving a remuneration—about one-third of the tax collected—for this service, converted the land-tax into rents payable to themselves and enhanced these rents from time to time, also levying at the same time several illegal dues and claiming several rights incidental to the ownership of land.

The Committee's recommendations (though they fell short of proposing complete abolition of the zamindari system because they took a narrowly legalistic and conservative view of the system) are so stringent upon the landlord that had they been accepted by the Government, the zamindars would have disappeared overnight. Some of the members who wrote dissenting minutes were in favour of the state purchase of the zamindaris and the introduction of a new settlement along ryotwari lines.

Any further inquiries are, therefore, superfluous and would only involve unnecessary waste of time and funds.

4. I am fortified in this view by the replies received to our questionnaire on this point from four provinces out of the five which have permanently-settled areas to a considerable extent. The Orissa Government, for instance, observe that "the zamindars in general, whether of permanently-settled estates or temporarily-settled estates, not only do not introduce any improvement to get better yield or to protect the lands from floods or drought but exploit every opportunity for realization of enhanced rent or other dues from the tenants. No doubt, cultivators will have a better protection so far as security of their tenancy and rent is concerned under the ryotwari system of land tenure which will in its turn encourage them to improve their holdings and obtain better yield." But they doubt whether the abolition of the system which is "the only possible remedy" is a practicable proposition—a point which will be met subsequently. The relevant part of replies from the other three provinces are noted below :—

*Bihar.*—The view that unless changes are made in the prevalent systems of land tenure, it would not be possible to secure any significant increase in

agricultural production is in accord with facts. In this Province, most of the estates are permanently settled. In theory, this ought not to stand in the way of improving agricultural production but it does in practice. The elements which go to make for increased agricultural production are (1) better seeds, (2) better manures, (3) better implements, (4) better methods of cultivation, (5) adequate irrigational facilities, and (6) economic or good sized holdings. The private proprietor (landlord) in most cases cannot afford to provide the first five and where he has the means, the incentive is lacking as he stands to gain no direct financial benefit, and still collects his rent irrespective of whether he provides such facilities and services or not. So far as the State is concerned, similarly, there is little inducement to spend public money on agricultural development when the benefit of the improvement goes into private hands. . . . 'Not so in the ryotwari system. There, a failure of crops consequent on lack of irrigation would directly affect the revenue as remissions have to be given. Similarly, the State has a direct interest in agricultural development as such development and increased productivity are reflected in the increased revenue at the time of revisional settlement. As regards consolidation of holdings, the existence of subinfeudation and continual partition under the Estate Partition Act and fragmentation of holdings due to the systems of inheritance in force offer real difficulties in effective consolidation under the permanent settlement whereas the process will become less difficult if the State were the only landlord.

The other view that no significant improvement in the standard of life of the cultivating class is possible without a change in the system of (permanently-settled) land tenure has also much to support it. . . The Floud Commission has shown that its liquidation can be effected in an orderly manner, as a business proposition. . .

*Assam.*—While the ryotwari tenure induces increased production, the opposite is the case in zamindari areas. . . Under the zamindari system there is a general feeling of insecurity and short of abolishing this outmoded system no other change will give the full result.

*Madras.*—(a) The zamindari system is defective in that the upkeep of irrigation works is beyond the financial power of zamindars and that if there is any dispute about the repair of an irrigation work or the amount of rent payable, litigation has to be resorted to. . . The zamindari system, however, appears to have outlived such advantages as it may have possessed and many zamindars even would welcome its abolition subject to reasonable compensation for the loss of their rights. (Board of Revenue, Madras.)

(b) Agitation to repeal the zamindari (or permanent) settlement is developing all over the country. It has been accepted as a policy by the Government of Bengal, the former Government of Bihar, etc. The Provincial Legislature, according to the Government of India Act, 1935, is not prohibited from passing a resolution to that effect and getting the sanction from Parliament. This is bound to be done in almost every Province as there is a growing consensus of opinion in its favour even among the zamindars themselves. The

only serious difference of opinion is on the nature of compensation to be given to the zamindars for the rights they have so long enjoyed and will be asked to surrender. If this is done, and the ryotwari system extends over the entire Province, there is no doubt that there will be an improvement in irrigation facilities, the maintenance of record of rights, the establishment of co-operative societies and the extension of the activities of the Agricultural Department. (Director of Agriculture, Madras.)

The replies from the provinces clearly show that permanent settlement comes in the way of increased agricultural production since no improvements could be made so long as it continues. The consensus of public opinion which is in favour of the abolition of the system, thus finds support also from official quarters. Contrary to past experience in the history of India's agricultural progress, here is a singular instance of public opinion being far in advance of the State's policy.

5. It appears to me that the permanent settlement is not to be looked at merely from the view point of its usefulness: of far greater importance than this is the consideration of equity by which the merits of the permanent settlement should have been judged. The zamindar is to be done away with not only because he is unwanted but also because he has no right to be there. Had the Report attempted to trace the history of the permanent settlement, it would have thrown a valuable light on the indefensible foundations on which this system was originally based and has thrived during the last hundred years and more. I feel that it is largely because this important historical fact has been overlooked that my colleagues have made suggestions for retaining the system, however amended. The only result of attempting to mend this system will be to postpone its final abolition and also postponing agricultural progress in the meanwhile.

6. *History of the permanent settlement.*—The permanent settlement was introduced not to advance the interests of the agriculturists but to facilitate easy and regular collection of revenue. When the East India Company took the administration of the country into their own hands, an effective system of collecting revenue had to be evolved out of the chaos that had been left to them by the previous rule. But the entire absence of maps and reliable records of the areas and rent of individual holdings, lack of roads and means of communication, and want of trained staff capable of direct collection made separate settlement with each cultivator impossible. After a brief experiment in Bengal at settlement by auction for five years which proved unsatisfactory, the Company decided to entrust the collection to zamindars as it was felt that they would be a more satisfactory agency for this purpose on account of their hereditary relations with the cultivator and their strong hold over the peasant classes. Further, to enable the zamindars to be punctual in payment of revenue, the Company gave them perpetual rights in the land and fixed the revenue for ever, so that the surplus income that would accrue from increased agricultural output might provide an incentive to improvement and extension of agriculture. As Sir William

Hunter has pointed out (Introduction to Bengal Records, Volume I, page 15) prior to the introduction of the permanent settlement in 1793 "the collection of the land revenue led to yearly struggle between the local authorities and the territorial magnates. . . . Before the end of the period (i. e., 1807) the permanent settlement with all its defects had rendered the collection of revenue as a matter of routine. The permanent settlement of 1793 is justly regarded as a revenue measure."

7. The immediate objective of the permanent settlement, viz., regular collection of revenue, having been realised, the system was gradually extended to parts of other provinces such as the United Provinces, Bihar and Assam being then parts of the Bengal Presidency, Orissa and Madras. But in doing so, a new kind of right was superimposed, as in Bengal, over the cultivators of the time by vesting the revenue collectors for all time to come with proprietary rights in the land. The mistake however was realised by some before two decades had elapsed after the introduction of the settlement in Bengal and doubts came to be expressed about the equity of the system. Lord Hastings himself was against the introduction of permanent settlement which entirely ignored the rights of the peasantry. Even the Court of Directors came to admit in 1819 that "consequences the most injurious to the rights and interests of individuals have arisen from describing those with whom the the permanent settlement was concluded as the actual proprietors of the land. The mistake (for such as it is now admitted to have been) and the habit which has grown out of it, have produced all the evils that might have been expected to flow from them." The Famine Commission, 1880, also conceded this principle when they said "We can, however, feel no doubt that in all the provinces of Northern India, and particularly Bengal, it is the duty of the Government to make the provisions of the law more effectual for the protection of the cultivators' rights. This opinion is primarily based on the historical ground that they have a claim as a matter of strict justice to be replaced as far as possible in the position they have gradually lost." (Report page 118, paragraph 24.)

"Although the intention of the legislation of recent years" further observed the Commission "has clearly been to define and protect the rights of tenants, it is proved by evidence before us that the effect produced has been very different from the object aimed at. From all quarters it is reported that the relations between the landlord and the tenants with occupancy rights are not in a satisfactory state, and are being yearly more and more hostile; so much so that a landlord will generally refuse any aid to his occupancy tenants when they are in difficulties, and will do all he can to ruin them and drive them off the land. . . . The probable result of such a struggle is in favour of the more powerful combatant and there is reason to fear that in many parts of the country occupancy rights have been irretrievably impaired, and the point to which the efforts of the Government should be directed is, therefore, to remove this conflict of interests." (Report page 117.)

8. It is obvious from the above, that the permanent settlement was

iniquitous inasmuch as it resulted in gross injustice to millions of cultivators in these areas who were deprived of their rights in land. The system was made still more obnoxious by the zamindar who "taxes his ryots for every extravagance or necessity" (Administration Report, 1872). The helplessness of the Government was long before this time admitted by Lord Hastings when he observed that the permanent settlement "has, to our painful knowledge, subjected almost the whole of the lower classes throughout these provinces to the most grievous oppression, an oppression, too, so guaranteed by our pledge, that we are unable to relieve the sufferers. Even the law was in favour of tolerance of such oppression the policy being "to allow every point about which there could be any doubt . . . to settle itself in favour of the landholder and against the public," so that within half a century, the land system of these provinces came to have every evil feature of feudalism. In 1883, the Lieutenant-Governor of Bengal speaking before the Legislative Council remarked 'In that interval of 66 years, that is, between 1793 and 1859, while the proprietary body grew in strength and prospered in wealth, village communities perished, the pargana rates (by which the assessment of the resident cultivator's rent was limited) disappeared, and almost every vestige of the constitutional claims of the peasantry . . . was lost in the usurpations and encroachments of the landlords" (quoted by the Hon'ble Sir Azizul Haque in his "Man behind the plough," page 255).

In fact, the system should have been abolished even at the beginning of this century when the Government of India discovered that this system of tenure "which is not supported by the experience of any civilized country, . . is not justified by the single great experiment that has been made in India."<sup>1</sup> Presumably, the difficulty was that having once created the vested interests, the Government considered it not a wise policy to remove them.

9. The harm done by the permanent settlement not only deprived the cultivators of their rights in land. It also led to the demoralization of the zamindars and misuse of the rights which were undeservedly heaped on them. The very fact that, during the last five decades, resort to various tenancy legislations became necessary so as to undo the mischief to some extent conclusively proves that the landlord could not be trusted to protect the interest of his tenants. Despite all these legislations, the conflict continues to this day. As is pointed out by the Floud Commission, "The complexities of the Bengal Land system have led to an immense volume of litigation. The time and attention of the civil courts are largely occupied in suits relating to interests in land, and though the court-fees produce a considerable revenue to the Government, the cost to the litigants is far in excess of the revenue and is out of all proportion to the amounts at stake. . . There is a notable absence in Bengal of that certainty as to the respective rights and obligations of the parties which a sound and satisfactory system of land tenure should provide. . . In

1. Memorandum on the Land Revenue Policy of the Government of India (1902), *vide* Report of the Bengal Land Revenue Commission, paragraph 83.

spite of the prohibition of *abwabs* and other exactions in addition to rent which were contained in the permanent settlement regulations and in tenancy legislation, there is still evidence of their continuance in the reports of settlement operations." (Bengal Land Revenue Commission Report, page 38, paragraph 85.)

In any discussion on the permanent settlement therefore, to ignore the historical basis of the system is to overlook the fact that it was based on the bankruptcy of millions of cultivators whose grievances and appeals now lie buried in history.

10. Administrators generally take a short-sighted and indulgent view of such important issues but the cultivators have long memories of times they had to go through. So long as any vestige of old injustice and oppression continues, it would be no easy task to persuade them to adjust themselves to any new system of zamindari settlement. There is no doubt that the cultivator in the zamindari areas still carries with him the painful memories of his complete subjection to the landlord and the consequent hardships which are referred to at length by the Famine Commission of 1880 in their Report, and have been quoted above. The views of this class were very clearly put forward by the Bengal Kisan Sabha in their memorandum to the Flood Commission, in which they said "The permanent settlement has conferred unrestricted right on the zamindars and this in its turn has rendered this system just a fabric of monopoly and tyranny under its grinding pressure. . . . Our experience tells us that the permanent settlement provides an iron framework within which little in the way of practical reform can be effected. A legislative reform may be placed in the Statute Book, but it can be rendered nugatory by the power that rests with the landholding class. If it is intended to tax the landholder, he can easily pass the burden on to those beneath him. One of the striking facts of the history of land legislation of the last century is that the good intentions of such Acts as those of 1859 and 1885 have come to naught and the abuses they sought to put down continued in an aggravated form. In the minds of the oppressed cultivator it is this system which perpetually strives through its various agents, the landlord, the money-lender and the Police to drive him off the land. Under these conditions, the demand for the abolition of the permanent settlement is not the result of confused thinking, but has arisen out of a deep-rooted understanding of the impossibility of tinkering with the present system of land tenure." (Report of the Land Revenue Commission, Bengal, Volume VI, pages 5-6.)

11. Any attempt at modification of the permanent settlement which does not take into account the viewpoint of the cultivators who have to bear the burden of its operation is bound to fail in practice, because the conflict of interests would continue and would grow even stronger with the organization of the *kisans* and the present no rent campaign. There is no hope of ending this tension so long as we have the permanent settlement under which there is no direct contact between the cultivator and the Government, or between the zamindars and the cultivators or again between the Government and the



zamindars except for the limited purposes of collecting rent and revenue. Nothing less than removing the sense of injustice and oppression from the minds of the cultivators and thereby ending this clash of interests, can ensure a successfully working land tenure system. But this cannot be done so long as the permanent settlement in any modified form continues as these defects are inherent in the system and would disappear only with it.

The case against the permanent settlement being so well established, it is undesirable to waste time and funds on further enquiries into defects of the system and the difficulties it places in the way of agricultural improvement and welfare. the only hope lies in abolishing the system without further delay.

#### *Administrative and financial implications of State acquisition*

12. The abolition of the permanent settlement having been considered desirable by the Provincial Governments (*vide* paragraph 49, Section E, chapter I, Part IV), the administrative and financial implications of the scheme may now be dealt with. According to the Floud Commission, it would take thirty years to liquidate the estates in Bengal, involving State expenditure to the tune of Rs. 78 crores Rs. 137 crores.<sup>1</sup>

13. The Report pre-supposes that on account of administrative difficulties, the liquidation of the permanently settled estate system and the settlement of the claims of estate owners and their multitudinous fragments would be a long-drawn-out process. It also presupposes that it would be a tremendous task to find the necessary funds to the extent of Rs. 137 crores in the case of Bengal and that the whole project, therefore, cannot be carried out within a relatively short time without financial commitments which would seriously restrict the resources of the public for other urgent schemes of development in the post-war period. These apprehensions, if true, should carry some weight but on closer examination, they do not appear to be warranted so as to rule out the possibility of liquidating the system in a relatively short period.

14. As far as administration is concerned, from the way in which proceedings are taken district by district, it appears quite possible that the whole process of state acquisition would take a long time. But surely, the period *can* be shortened by devising a formula which in general can meet most of the requirements, now that the preliminary inquiries as to the probable method of evaluating claims have been completed by the Special Officer appointed by the Bengal Government. It should now be possible to appoint a Committee of Experts who would draw out a formula of compensation which would be applicable generally to all cases or some formulæ to be applied to cases under large categories. As far as I have understood it, the problem is: how to determine the share of the zamindar in the profits to be paid to him after

1. While calculating the financial result of the scheme the Commission gave three different estimates on the basis of 10, 12 and 15 times the net profit respectively—the three respective estimates being Rs. 77·9 crores, Rs. 113·58 crores and Rs. 136·95 crores (paragraph 128). The Commission observed that the rate of compensation which received more support than any other is 10 times net profit (paragraph 101).

deducting the cost of collection. It may be that every claim cannot be decided upon with meticulous care and precision, because estates vary in size and in the extent of their fragmentation as also in the quality of their management. But a rough and ready formula should serve the purpose. This is the first step to be decided upon. The existence of shareholders in the estate, finding out these claimants and determining their individual shares would offer further difficulties. But they should not be allowed to hold up the process of determining the claims in general. The burden of proving the claims, therefore, should be placed on the claimant.

15. Possibly, Government will have to engage special staff to settle the claims, for which purpose more men will need to be employed. At the same time, Government will have to employ village staff, train them and put them in charge of the estates as soon as the claims are determined. The war has shown that for all grades of employment, by intensive instruction the period of training can be considerably reduced. The Bengal Administration Inquiry Committee of 1944-45, known as the Rowland Committee, realizing the importance and the urgency of the problem has suggested that a special minister should be appointed to deal with this subject and probably a special organization will be created and entrusted with this work (Report paragraph 44). They state the case as under :—

But there is one thing which we should like to make abundantly clear at the outset, namely, that in our view, the capacity of the machine which we shall recommend will fail to achieve its maximum results in the exploitation of land and water resources if the present outmoded system of land tenure remains. Apart from this consideration, the administration of the districts in Bengal is clogged at every turn by the present system, and we cannot too strongly urge on administrative grounds alone that Government should give the earliest possible effect to the decision which they have already taken to adopt the majority recommendations of the Floud Commission.<sup>1</sup>

This leaves no doubt that the matter will be pursued far more energetically than is done at present. The pace of progress may be slow in the initial stages, but once the scheme is set into operation, it will gain momentum and increasingly speed up the process thereafter. The experience of recent years in administration to meet the tempo of war-time exigencies should be an additional advantage in this connexion. Measures such as rationing, the levy system, etc., which would not have been thought of as practicable in 1941 have been successfully introduced and worked in many provinces. The energies of the administrative services have successfully stood the test. There is no doubt that if the problem of liquidating the system is approached in the right spirit, the administration will rise to the occasion. Possibly now that the zamindars are feeling nervous about their own future, they would be too willing to co-operate if their assistance was sought to facilitate the whole procedure of liquidation.

<sup>1</sup> Report Chapter I, paragraph 16.

16. The next problem is that of finding funds. As already pointed out, the Floud Commission while considering the financial implications of a scheme of State acquisition, gave the estimate of Rs. 78 crores as receiving more support than any other, and, at the same time, gave the maximum estimate of Rs. 137 crores as supported by some. It is the latter figure which has been taken by the report as the real requirement for the scheme. Whatever may be the correct estimate, the figure should not stagger any one if it is realized that this amount is not required in a lump sum all at once as the expenditure will be spread over a period of 20 to 30 years. Again, at no one time would the full amount be outstanding. If bonds are issued a certain number would be redeemed every year. As a parallel case it may be pointed out that though the Madras Central Land Mortgage Bank has so far issued debentures worth Rs. 3.60 crores, the amount outstanding at present is to the extent of Rs. 2.74 crores. There is, however, no necessity for the Government to go into the market for borrowing except for securing small amounts needed to acquire petty fragmented estates for which it may be desirable to pay in cash. For the rest of the estates, the claimants may be paid in bonds—interest and capital to be guaranteed by Government—which may be redeemed by annual payments within a specified period. Issue of bonds for land improvements is very common in European countries and there is no reason why this method of financing agricultural development should not be adopted with profits in India. There is no great risk involved in this method as the bonds are self-liquidating, repayments being made out of the collections made along with the land revenue. The revenue demand originally fixed at the time of the permanent settlement being pitched too low, the increment accruing from a revised settlement on the ryotwari basis would be very considerable.<sup>1</sup> If as is expected, the removal of the feudal interests facilitates speedy working of agrarian reforms and brings prosperity to the agriculturist, cancellation of bonds would be made easier to that extent.

17. But a more practical method would be to make payments by annuities out of the additional revenue from the resources acquired. This is the easiest and the most economical of the methods that can be thought of, as the claims will be paid out of the land assessment to be collected annually from the tenants. There are two ways in which the payments can be made. One is that the estate holder would be paid out of the collections made; if the collection falls short by any amount he would be paid less to that extent. In this case the Government does not give a guarantee of payment. The other method is to guarantee the payments of the annuities irrespective of the nature of collections made. The former method is not desirable as it would continue the present slackness in collection of revenue. Every year, owing to the defect in the existing system, nearly 8 lakhs of rent suits are filed by the landlords

<sup>1</sup>Cf. "It (the permanent settlement) has stereotyped the land revenue at a figure which is far below the fair share which the Government ought to receive from the produce of the land, and is substantially less than the share taken in the provinces where the land is less productive than it is in Bengal." Report of the Bengal Land Revenue Commission, paragraph 80.

and there are large arrears. But if the Government completely takes over the revenue administration, these defects would make the collecting agency more alert and efficient.

18. The report scents danger in the offer of guarantee by the State for such payments. I believe that the method proposed in the above is the least onerous of all schemes of payment, if payment is to be made at all. Under this scheme, the Government collects the revenue and then pays a portion of the collections to the zamindar towards settlement of his claims. In practice, therefore, the guarantee may amount to a small sum. Moreover, this amount would be collected subsequently.

This method of payment was suggested by me in "The Indian Rural Problem" (pages 348-49). It has secured the approval of the authors of the "Plan of Economic Development of India" popularly known as the Bombay Plan (volume II, page 16), drawn up by hard-headed business men who know the financial implications of the scheme. The Madras Government very recently have accepted this basis of payment by annuities and proposed it for the liquidation of a temple estate. It is to be regretted that my colleagues, although they "have had no opportunity to investigate the possibilities of these suggestions", fear that "it may not be possible to avoid capital payments in cash or bonds in many cases such as small proprietors or creditors and there would in any case have to be a guarantee by the State of annuity payments." As far as the difficulties of the settling of the claims of "small proprietors and creditors" are concerned, these can be met by the adoption of the proposal made in the report itself, viz., compulsory consolidation of "uneconomic estates," and compulsory amalgamations of under-tenures to give effect to the principle of "one estate, one proprietor." (Paragraph 60-61.) If it is possible to reconstitute fragmented interests in land for resettlement purposes, it is equally possible to do so for the purposes of receiving payment of annuities. As for the other argument, I do not think that we can conceive of any scheme which would not involve some sort of guarantee by Government. The States in Europe have been resorting to this method of financing agricultural development—particularly since the last economic depression—and there is nothing in their experience to show that such guarantee is something which a Government should avoid when necessary in the larger interests of the country. Unfortunately the Government of India have never raised funds for land reforms except for the extension of irrigation projects.

Possibly the better way for Governments would be to appoint a special committee composed of men with administrative experience and business acumen to advise them on the best methods of obtaining the necessary funds and making payments in settlement of the various claims when the time of the full liquidation arrives.

19. It may be observed here that since the report of the Flood Commission, the country has undergone almost a revolution in respect of administrative methods and the technique of finance. In the near future, trained and disciplined men of all ranks from the army and civil employment would be

## LAND TENURES IN INDIA

available in large numbers whose services can be enlisted by the Government for their various developmental activities. Similarly, in the sphere of finance, the war has demonstrated that when the paramount necessity of funds is established, it can be raised to an extent unforeseen in pre-war years. Neither funds nor administrative personnel need present difficulties or make the abolition of the permanent settlement a long-drawn-out process if the imperative need of the reform is once admitted and the Government pursue the matter with determination and zeal.

*Reform of the zamindari system*

20. As said above, the administrative and financial difficulties pointed out by my colleagues are not insurmountable and the permanently settled estate system could be liquidated in a much shorter period and with easier methods of finance than even anticipated by the Flood Commission for Bengal. Under the circumstances, if the energies and money proposed to be devoted to the removal of the defects were applied to the abolition of the system, the creation of an efficient administrative machinery under Government, and to the other essential forms of land improvement, it would pay far higher dividends in the restoration of the happiness of the people concerned. However, I shall now examine the defects of the system and the measures to be taken for their removal as envisaged by my colleagues. But before I do so, I may point out a very significant fact in the discussion of the subject; nowhere in the report is it stated clearly whether their suggestions are a sort of an *interim* measure to be carried out simultaneously while the liquidation of the estates proceeds or whether they should be tried first and, liquidation might be resorted to only thereafter if they did not succeed. In the absence of such a clear statement, it may appear that this is a suggestion to resurrect the whole of the zamindari system as an integral part of the land administration of the country irrespective of its past history and present weaknesses. These are important considerations and before the scheme of mending the system is considered, the zamindar and the Government and the general public—particularly the Kisans—would have liked to know from the Commission their final decision on this point; for, from the nature of the proposed scheme both the rectification and the abolition proceedings cannot work together—particularly as the former would involve heavy costs and laborious procedures. It is easier to construct an institution *de novo* than to prop up an obsolete and worn out structure which has its foundations in distrust and disharmony. This is a significant omission and would demand clarification. Nevertheless, let me examine the scheme of reforms as propounded in the majority report.

21. In paragraphs 55 to 61 the defects of the existing system of permanent settlement are examined, which may be summarized as under:—

- (1) Neglect of irrigation sources is common in all permanently settled areas (paragraph 52).
- (2) High contractual rents prevail in some estates; their incidence tends to be high where they are paid in kind (paragraph 53).

(3) In many estates, ryots owe large arrears of rent to proprietors and there is a considerable amount of litigation ( paragraph 55 ).

(4) There is no contact between the Government and the people (paragraph 56).

(5) By and large, and subject to notable exceptions, proprietors of estates fail to make adequate contribution to the development of the resources of the estates ( paragraph 57 ).

(6) The existence of under-tenure holders in some permanently settled areas would be inconsistent with any scheme of reform which is based on the principle of defining the responsibility for proper management of estates and enforcing such responsibilities on the proprietors concerned (paragraph 60).

(7) The prevalence of an unduly large number of small estates might add greatly to the difficulties of maintaining proper supervision and control over the management of the estates as a whole (paragraph 61).

These were the very defects that were very carefully studied by the Floud Commission and as a result they came to the conclusion that the system should be abolished.

22. In order that these objectives may be achieved the Report recommends the following measures :—

(i) Arrangements should be made which would ensure that proprietors realize their responsibilities in time and themselves carry out the necessary irrigation works without default (paragraph 52).

(ii) The law should prescribe a maximum level of rent which should not be exceeded in any case (paragraph 53).

(iii) Not only should the process of recovery of arrears be simplified but steps should be taken to secure a generally improved standard of management of estates (paragraph 54).

(iv) Steps should be taken to ensure that the standard of management in the estates is improved and that a qualified and efficient staff is maintained by the proprietors so that it should be possible to secure the performance by the proprietors of many functions which are at present performed in ryotwari areas through an official staff (paragraph 55).

(v) The general body of proprietors should be brought up to the standard of the best among them. They should be required to set apart a portion of their net profits for utilization in a form which would visibly promote the improvement of agriculture and the standard of life of the cultivating class in their estates (paragraph 57).

(vi) The proprietors should be made to perform functions which are substantially of the same nature as those performed by the Revenue Department of Government in ryotwari areas, and of no less public importance (paragraph 58).

(vii) To facilitate successful working of these reforms where sub-infeudation prevails, the most suitable of the following three measures should be adopted :—

(a) Portions of estates subject to under-tenures should be formed into separate estates.

(b) Fragments of estates should be compulsorily amalgamated.

(c) "Uneconomic estates" should be acquired by Government, the ideal aimed at being "one estate, one proprietor" (paragraph 60).

(viii) Where subdivision and fragmentation of estates have already gone too far, uneconomic estates should be acquired by Government or compulsorily amalgamated (paragraph 61).

23. The report takes the view that the defects pointed out are capable of improvement by making "the proprietor . . . *perform functions which are of substantially the same nature as those performed by the Revenue Department of Government in ryotwari areas and of no less public importance.*" The arguments advanced in favour of this view are all negative. Thus, "there is no good reason why they should not maintain the same accounts and records as are at present maintained by official agencies in ryotwari areas; nor is there any good reason why they should not be required to engage themselves in those aspects of rural development which are likely to become of increasing importance in the future." It may be pointed out that the main report has not a single point to mention in favour of the existing system as a whole except that "there are instances of estates which have set apart in the past considerable funds for religious charitable purposes and sometimes for the improvement of education and public health." The reason is, except for these few instances, the record of the estates is one of neglect and mismanagement. Moreover, under the existing law, the owners of the estates are reduced to the position of rent-collectors, with no rights to share in the increased incomes from their estates. They are not trusted even to recover the arrears of rents from their own tenants for which they have to go to Courts. They maintain indifferent records and this is the major cause of harassment to the poor tenant and leads him into costly litigation.

To this day, the condition of the cultivators remains largely unsatisfactory as they are subject to rackrenting and insecurity of tenure. As the Floud Commission has pointed out "many of the records in the zamindars' office are indifferently maintained and sometimes fraudulently manipulated, and the peasantry, 90 per cent of whom are illiterates, are at the mercy of the unscrupulous agents. Indeed it is common knowledge that the *naibs* and other agents of the rent receivers frequently live on a scale far above that which the salaries they receive from their employers would permit . . . It is true that the successive provisions of the Tenancy Acts have endowed the ryots with the practical ownership of their land. But a large and increasing proportion of the actual cultivators have no part of the elements of ownership, no protection against excessive rents, and no security of tenure . . . The truth is that the

present situation, while containing some of the features of both the landlord and the tenant and the peasant proprietorship system, possesses most of the disadvantages and few of the advantages of either system. Under it the actual cultivator has too often the worst of both the worlds". (Report : paragraphs 85-88). This is enough to show that the extent to which the law can reform the zamindari system within its existing framework is so severely restricted as to be valueless in practice.

24. Against this background the new proposals have to be examined. Under the new dispensation, the estate owner shall have to maintain proper accounts and employ an efficient and trust-worthy staff on the basis of the Revenue Departments in the ryotwari areas and manage his estate well. Apart from his having to bear the whole expenditure of the renovated zamindari he shall have to set aside a part of his income for the development of the estate. These suggestions are to be enforced by legislation and the Government is expected to see that they are properly implemented and carried out. For undertaking these additional functions he is not to get any extra remuneration.

The suggestions made above are of such a far-reaching character that they involve the setting up of numerous independent departments similar to the organizations in the ryotwari areas within the state organization for the administration of land revenue—a suggestion which was never contemplated in the 18th century by Lord Cornwallis. However, it is necessary that the implications of the new proposals should be carefully studied with a view to seeing how far they are capable of being implemented. The first thing is to know what are the "functions of a Revenue department of Government in ryotwari areas," which are held out as an ideal for the estates to copy as these have to be "of no less public importance." A great deal of emphasis has been laid on this point, for from 1880 to 1945 it has always been pointed out that there is no contact between the people and the Government in Bengal and other permanently settled areas as in the ryotwari tracts. As this defect has to be removed, it is proposed that the zamindari must be raised to the standards of the Revenue department.

Let us examine what such a change involves : Under the ryotwari system, the administrative unit is the district in which the executive unit is the Tahsil or Mahal. Under each district there are 8 to 10 tahsils—each in charge of a Tahsildar. Under him are Circle Inspectors for a group of villages—30 to 40—while each village has a *Patwari* who forms the smallest but the most important unit in the Revenue Administration. He maintains elaborate village records and with the help of the village headman collects the land revenue directly from landholders. He is the eyes and ears of the whole Administration. He knows his people well and their needs and requirements. The Circle Inspector is an inspecting officer whose duty is to see that the Revenue Rules and Regulations are properly observed. The Tahsildar is the unit of the organization in the collection of revenue. All the statistics of the *tahsil* are maintained by him. He is the chief treasury officer for all the departments working in the



area. *Jamabandi* papers for land revenue are prepared under his supervision and he sees that revenue is punctually collected. He has powers to issue warrants for arrest or distraint on a report from the *Patwari* for arrears of land revenue. All disputes of a revenue nature are settled by him. His office is in constant touch with the Settlement department for the maintenance of land boundaries. During famines or years of scarcity he has to prepare preliminary estimates of crops and the *annavari* for the purposes of granting remission and suspension of land revenue. He is the man who doles out the *takavi* grants. Besides doing his work as a Land Revenue Officer, he works as a *Bundobasti* Magistrate even where the executive and judicial functions are separated. For this purpose, he usually enjoys the powers of a second or third-class Magistrate. He records confessions and attends to *Panchkhyas* in deciding cases of serious offences. He helps the police in the discharge of their functions. As a matter of fact nothing can happen within his jurisdiction without his support, co-operation or sympathy and that also would be the case in a village where the *Patwari* rules. Thus both of them wield great influence over the people.

25. Under the administrative system of India, the Department of Land Revenue occupies the pivotal position and will continue to be so for years to come. As the Simon Commission has pointed out, "Even from the purely administrative aspect, it (land revenue) is of special importance, for the land revenue officer resident in an area has been for centuries the centre of governmental authority. The 'Collector' of land revenue represents Government in his district for many purposes. He is the chief magistrate of the district, and many of his principal revenue subordinates exercise important magisterial functions. On him has rested the local responsibility for maintaining law and order, and . . . he everywhere continues to be the officer who co-ordinates the activities of the various governmental agencies in his area. On him and on his revenue subordinates, the Government still depends for maintaining contact with the whole population in his area and for information concerning its general welfare. All this is not an innovation introduced within the period of British rule, but the continuance of a more ancient system which made the other functions of Government gather round the collection of revenue. Thus both the *Tahsildar* and the *patwari* occupy highly responsible positions in the administration. Over the *Tahsil* Officer are the Subdivisional Officers and above them is the Collector. The Collector is the head of the district administration and looks after the moral and the material welfare of the people apart from his duties as a Revenue Officer.

During recent years, the importance of revenue officers has been very much enhanced as a result of the various programmes for the development of rural areas. For this purpose, *Tahsildars* are sometimes recruited from agricultural graduates. The position and status of the *patwari* is also being raised. For a long number of years he was ill-paid and freely allowed to fleece the people under him. During recent years his importance in the village economy has been recognized. Nowadays he is a better educated man, receives higher remuneration and is specially trained for developmental work so that he can

be more useful to the village. In years to come he will be more and more trusted and availed of for all works of village improvement for which there is an unlimited scope.

These services are again fairly well paid and provided with chances of promotion higher up or in other departments. A capable Tahsildar can, thus become a Collector, and a *patwari* a Tahsildar or a Subdivisional Officer. They get decent pensions. They have good leave regulations and in many cases are provided with comfortable houses. On all occasions involving additional duties, they get extra allowances and their rights are protected by elaborate regulations.

26. We shall now consider how far these functions could be delegated to a private agency. This problem has to be considered from three distinct points of view, viz.—

- (a) that of the estate owner;
- (b) that of the *Kisan*; and lastly
- (c) that of the Government.

*The estate owner.*—The main report does not make it clear whether the whole machinery of revenue administration of the type existing in the ryotwari provinces is to be maintained by the estate owners, and, if so, whether they would be vested with the usual revenue and judicial powers. For the unity of the administrative organization, such powers would have necessarily to be given to the landlords if they have to be fitted into and made a component part of the provincial administration. The point here for consideration, therefore, is whether a private agency can be trusted to undertake the maintenance of an organization of the nature described. Four main objections arise when this question is considered :—

(a) The average zamindar is rarely a capable manager of his estate, much less a good administrator. At least, he has not the reputation of being either. I have not with me, at this moment, the necessary statistics to show the extent of the estates that have gone under the Court of Wards for reasons such as mismanagement, indebtedness, fraternal quarrels, minority administration, etc., but there is reason to believe that their number is not inconsiderable. In fact the whole system would have succumbed long ago for this very reason if the Government had taken a strictly legalistic view of the various obligations of the zamindar. As the Floud Commission pointed out, "Indeed, it is maintained by some observers that if the present system remains unaltered, with a strict observance of the Sale Law and a more sparing resort to the protection of the Court of Wards, there will be a complete breakdown of the whole system." It is incredible to expect that the class of such landlords and their staff could be transformed, with the help of legislation, into administrators functioning as efficiently as the Revenue Department of the Government, and performing "many functions which are at present performed in ryotwari areas by an official staff." (Paragraph 10). Such efforts will have no basis in reality and are bound to fail.

(b) Secondly, the zamindars as a class are too numerous. In Bengal there are more than a hundred and fifty thousand estates—permanently settled, revenue paying, revenue free and temporarily settled. It would be no easy task to rationalize them on the basis of "one estate, one proprietor." It would be an equally tremendous task for the Government to find someone out of the various interests who would willingly submit himself to be responsible for the administration of the estate. Further, subdivision, fragmentation and partition of estates would create complications to avoid which it might be necessary to consider the application of the law of primogeniture and impartibility.

(c) Thirdly, it is highly problematic whether the estate owner can be trusted to run the revenue administration on a systematic basis as a unit of an organized institution. He may die leaving a minor or a widow, brothers may succeed him and the whole estate may be subjected to endless litigation; the owner may fall into debts and squander his substance; all sorts of contingencies may occur and disturb the efficiency and break the continuity of estate management and thus throw the administrative machinery out of gear.

(d) Fourthly, the question is of funds. At present the estate owners are unable even to maintain their tanks. The cause is said to be that either they have no funds or they are unwilling to spend them. Is it possible then that they would be able to maintain an elaborate machinery as proposed in the main report and spend enough for its smooth and successful working? If the scheme is forced on them, would their employees work efficiently with their loyalties divided between the landlord and the Government?

These are very important issues and no Government can ignore them before entrusting such responsible functions of administration to a private agency.

*The Kisan.*—The scheme may now be considered from the viewpoint of the Kisans. Their attitude towards the zamindars has been already noted. I have not the least doubt that they would prefer Government putting up their own agency rather than to submitting themselves to the administration by people against whom they had to struggle over a century. They surely do not want a perpetuation of the iniquitous feudal system for the abolition of which the kisan strove hard for more than two hundred years.

*The Government.*—Lastly, it may be asked, from the view point of the State itself: Would Government be justified in handing over the revenue administration to a private agency which, as Lord Curzon pointed out in his Memorandum of Land Revenue administration in India, has no parallel in the world? The suggestion made in the main Report, if accepted, would make the zamindari a still more unique institution in the world. The objective of the scheme is to change over the existing defective machinery of collection of land revenue to the administration of the Revenue Department as in a ryotwari area merely to ensure better estate management. But modern ideas of human welfare and the functions of Government towards their promotion are fast changing. The old conception of State responsibility, viz., for maintenance

of law and order and the collection of taxes has been long replaced by a much broader one. The principle of *laissez faire* is fast receding in all countries and the Government is stepping into every field of social and economic activities. The rural problems, with which we are here concerned, are looked upon from a sociological basis and such social factors as nutrition, health, housing, education and leisure are regarded as part and parcel of the socio-economic responsibility of the modern State. The Hot Springs Conference has set a new objective of this type for all countries and India is starting to work in that direction. Under these circumstances, for any civilized Government to hand over the administration of a most important department of State to a private agency with a very disappointing record behind it as we know from its history, is inconceivable. The zamindari institution is too obsolete to fit into any Government organization. Any attempt to enforce such a measure would not only fail to benefit the people but would meet with friction and disharmony at every step and be a perpetual source of embarrassment to Government.

27. In conclusion, the important issues arising out of the discussions may be summarized as under—

(1) Is it possible to convert the permanently-settled estates, within their existing framework, into an efficient department of land revenue as in the *ryotwari areas* and force them to perform the same functions by legislation?

(2) Will the estate owner agree to the expenditure to be incurred for the resettling of the estate on the new basis for which there will be no return to him whatsoever?

(3) Under modern conditions when the functions of the State are fast expanding, is it justifiable for it to hand over the administration of the most pivotal department of the State, viz., the Land Revenue department, with all its ramifications to a private agency?

(4) Will the new schemes of land reform, rehabilitation and social reform intended for rural areas be adequately carried out under the aegis of a private agency?

(5) Will the Kisans for whose benefit apparently this scheme is adumbrated give their willing co-operation to the zamindars, bearing in mind the past history of their relations?

(6) Is there any part of the world where such an experiment has been successfully tried?

I have not the least hesitation in saying the questions raised above can be replied only in the negative. Of course it is always desirable to get the help of every section of society for the development of the country but to expect that an institution of private estate owners can be forced to become an important department of State is hardly believable. There are various ways open to the zamindar to offer his services to the State and the people if he is so inclined. But as far as his transformation into an efficient and benevolent estate manager is concerned, it has to be noted that the principle of "*noblesse oblige*" must either work spontaneously or not work at all as it is not capable of legal enforcement.

## B.—AGRARIAN REFORMS

28. No scheme of agricultural planning for the post-war period would achieve material results if it overlooks the adverse effects of a defective land tenure system on the productivity of land. It is one of the prime requisites of land reform that the cultivator himself should have a holding of a reasonable size which he can call his own and from which he can get at least a certain minimum standard of living. As far back as 1889, Dr. Voeleker, Consulting Chemist to the Royal Agricultural Society, pointed out in his report that defective land system is one of the causes of low productivity of agriculture in India (Report: page 289). He also maintained that "the feeling of possession is one that acts as a strong incentive to agricultural improvement and it should be fostered in every way" (*Ibid* page 159). The fact is that the basic land system of the country, the distribution of ownership of land, the terms on which it is held and cultivated, and the relation of the cultivator to the landlord and the Government—each of these factors has its effect on the productivity of land. Failure to recognize this fact has led the main Report to take the narrow view that a scheme "designed merely to replace one land system by another" is of less importance than "schemes of irrigation or industrial development which . . . are calculated directly to increase the productive resources of the country." There is no justification for such a view which considers land tenure reform as less important or less effective than "direct" land improvement. Agricultural efficiency is determined as much by the social, economic and legal status of the cultivator as by technical perfection of implements and soil. The two have necessarily to go together. The former "reforms" the cultivator himself and gives him the needed incentive; the latter improves the soil, agricultural technique and farm equipment. Much of this general bias towards the technological improvement of agriculture may be attributed to the unfortunate omission of land tenures from the terms of reference before the Royal Commission on Agriculture. Had that opportunity to go into the problem been availed of, the serious consequences of this system would have become apparent, and that would have helped to place the whole problem of agricultural development in its proper perspective.

29. The abolition of the zamindari system, therefore, is advocated not as an end in itself but as an indispensable means to higher agricultural production and a more equitable distribution thereof. The acquisition by the State of all proprietary interests between the ryot and the State is only a beginning in a comprehensive plan for agricultural development. As the Government of Bihar have pointed out in their reply to our questionnaire, "The acquisition should be followed by large scale reorganization of agriculture including co-operative farming, large scale irrigation and intensive and widespread application of all well-known methods of agricultural development, besides providing outlets for surplus agricultural labour. There should also be extensive education, health and other facilities and amenities and the huge loss of wealth and capital caused by epidemic among men and cattle must be prevented. The increased resources of the State should render all these possible."

30. In view of the increasing pressure of the population on soil, only such a comprehensive view of land reform can save the situation. It is not enough to pin our faith merely to large scale industrialization and a few measures for improving the technical development of agriculture. This is an important lesson which emerges from the "economic development" of India during the last 20 years. We have also before us the example of U. S. A. where in spite of vast industrial development, the conditions of a great part of the agricultural community has become increasingly precarious. As the Report of the President's Committee on Farm Tenancy (1937) points out: "For the past 55 years the entire period for which we have statistics on land tenure, there has been a continuous and marked decrease in the proportion of operating owners and an accompanying increase in the proportion of tenants. Tenancy has increased from 25 per cent of all farmers in 1880 to 42 per cent in 1935. Because of debt, the actual equity of operating owners is far less than these figures indicate." The United States Government therefore felt it necessary to adopt strong measures to help the various groups which are "at a disadvantage in their relationship to the land" (viz.), the tenants, croppers, farm-labourers, families on sub-marginal land, families on holdings of inadequate size, owner families hopelessly in debt, and farm young people unable to obtain farms) to find their way up the "agricultural ladder" and thus to increase the number of owner operated farms.

31. Similar has been the effort on the part of European countries whose progress in this direction will be subsequently noted. The time has come when agricultural experts no more place complete faith in technical improvement of agriculture and discount the importance of reforming the land system. As Mr. R. H. Tawney observes, "Improvement of agricultural methods is, no doubt, indispensable; but it is idle to preach that doctrine to cultivators so impoverished by the exactions of parasitic interests, that they do not possess the resources needed to apply it. In the Europe of the nineteenth century, the reconstructions of the legal fabric of the land system preceded the modernization both of productive technique and of the business side of farming; nor in the absence of the first, would the last two have been possible." (*Agrarian China*, Introduction p. xviii.)

Recently, in India, the Directors of Agriculture have begun to realize how land tenures hinder agricultural developments. In paragraph 4 of this note, I have quoted the opinion of the Director of Agriculture, Madras, advocating the abolition of the zamindari system. The Director of Agriculture, Bombay, who appeared before us also drew our attention to this and said "I think the greatest handicap to increased food production is not technical but economical in this Province. There are various economic disabilities under which the cultivator is labouring at present, such as land tenure, and it is hopeless to expect any very large increase in his yield. Of course, it applies only to smaller areas, but the question of agricultural debt is a province-wide problem." He advocated the same reform before the Policy Committee No. 5 on Agriculture, and observed that "The question of existing land tenures was

very important because these usually went against the application of technical improvements."

The former Commissioner of Agriculture, Baroda, now the Minister-in-charge of development who was also Director of Agriculture in the United Provinces for nearly three decades, has expressed a similar opinion; referring to the possibilities of increased agricultural production, he has pointed out the disabilities from which the country was suffering, some of them being of economic origin and others created by custom, the continued influence of old practices, the increase of population, defective tenures and the like. The details of these causes, he summarized as under:—

- "(1) The unduly small holding relative to the productivity of the soil.
- (2) The fragmentation of holdings.
- (3) Lack of incentive, the outcome of a defective tenure or method of rental payment:
- (4) Existing indebtedness as reacting on (5).
- (5) Lack of working capital.
- (6) Defective marketing.
- (7) Loss of labour time.
- (8) The ownership of what would be productive land by inferior cultivating castes.
- (9) Lack of crop control and crop planning.

They provide between them a very formidable mass of disabilities which react in many cases very seriously against the possibility of removing technical disabilities and in certain cases must militate against the possibility of a good deal of what has been dealt with under Section I. In short, unless they can, where and when they occur, be faced and drastically dealt with there is very little hope of 75 per cent of the agricultural land in India being caused to produce much more than it now does . . . In certain tracts lack of incentive as created by a bad system of tenancy farming, as unfair rental basis, rapacious landlords who do nothing to stimulate production and other like factors is a striking cause of low production."

32. There is no doubt that such candid criticism of the existing tenure system by agricultural officers will gather strength as they go deeper into the study of the causes of failure of agricultural improvements to yield results expected of them. That the yields *are* going down is evident from the following statement of average yield of crops during the decade 1931-32 to 1940-41 in some of the provinces:—

1940-41 in some of the provinces.

	(In lb. per acre.)									
Annual average of	Rice.		Wheat.		Sugarcane.			(Raw sugar or gur.)		
	Bengal.	Bihar.	C.P.	Bombay.	Bengal.	C.P.	Bombay.	U.P.	Delhi.	
1931-32 to 1935-36	896	738	666	428	624	443	5,906	3,275	1,880	
1936-37 to 1940-41	837	676	590	394	577	430	5,587	2,739	1,523	
Decrease	59	62	76	34	47	13	319	536	353	

It was also noted in our Report on Bengal that the normal rate of yield of the *Aman*, *Boro* and *Aus* crops in the province has gradually declined during the last decade and a half ( Appendix II, page 207 ).

Another drawback similar to that of defective tenure (as indicated by the Commissioner of Agriculture, Baroda, in item 8 above ) is that as a result of socio-economic changes in this country during the last hundred and fifty years, the farming community to-day is no longer a homogeneous class of people with a definite standard of efficiency. Available statistics of the present pursuits of certain "occupational castes" show that 67 per cent of workers who have given up their traditional non-agricultural occupation have now taken to agriculture and allied pursuits<sup>1</sup>. This heterogeneous character of the agricultural community is a significant factor depressing the efficiency of India Agriculture.

This indicates that the problem of agrarian economy is too complicated to yield to the only approach however persistent, made so far, namely, that of technical development.

33. It is imperative to note here that while the Departments of Agriculture in India are pursuing a narrow ideal of technical improvement in agriculture, the Department of Agriculture of the United States has extended its sphere of activities far and wide so as to cover almost every aspect of rural life. On the one hand, it administers relief on a nation-wide scale to millions of farm families thrown into distress by the economic depression during the last 'thirties'; as a result, agricultural labourers, tenants and share-croppers have been able to secure better contractual terms with their employers and a considerable number of them have been helped to feel their way up the "agricultural ladder" to farm ownership. On the other hand, the department has also put into operation various schemes of a long-range character for the economic and social progress of the farm population. The determined and organized effort of the department to bring an all-round improvement in every stratum of the agricultural society is evident from the following words of Henry A. Wallace, Secretary of Agriculture<sup>2</sup> :—

To build an economic democracy that will match our political democracy our people must have facts. Few agencies have been as persistent in digging out facts as the Department of Agriculture. Its scientists have a long and honourable record in their never-ending quest, and they have added much to human knowledge in the fields that are vital to every one of us.

The investigations of the Department of Agriculture are not confined to natural sciences under the necessities of modern life—many of them arising out of the revolutionary discoveries of science—the department has had to pay more and more attention to economic and social problems as well. It has been building up a notable body of knowledge in these fields.

In accordance with these ideals, the department has undertaken measures of a comprehensive type for the reform of tenures and tenancies, started

1. Table XI, pp. 414–19, Census of India, 1931. Volume I, Part II.

2. "The Farmer in a Changing World". (Year book of Agriculture, U. S. A., forward )



agricultural banks, taken measures to sustain prices of agricultural products' and is financing schemes of soil conserving, electricity to rural areas, land reclamation and utilization schemes besides others of far-reaching character. As important as the comprehensive character of the developmental programmes for agriculture is the method in which it is implemented. Here, the department does not rest content with merely creating facilities for the uplift of the people, but gets into direct contact with the needy individual, studies his problems, gives him the necessary guidance and assistance, and then watches over the results. There is, thus, a direct and continued contact between the department and the people it seeks to benefit. At the same time, it is realized that there can be no one remedy which can be generally applied to all classes of agriculturists. The conditions of the labourers, share-croppers, tenants, small holders and the various agricultural groups are studied individually—each on its own and suitable measures are evolved for each group to tackle its particular problems.<sup>1</sup>

34. In fact, the task that lies ahead for India is of far greater magnitude than that which the United States have set themselves to solve, as the indigence of the people in this country is more deep-rooted and widespread. The pressure of the population is increasing so fast that no plan for agricultural development can afford to ignore it. Moreover, the poverty of the Indian rural people is not a product of economic forces alone; it is also a result of several other factors such as obsolete land systems, unhealthy environment, neglected mental and physical development, conservative caste and religious beliefs, customs and practices, and a disintegrated rural society. It is, therefore, necessary that our Departments of Agriculture are imbued with a spirit of searching inquiry into the various causes of the poverty of the people and take a comprehensive view of the problem before them. Similarly, instead of having broad-based measures of general application to all classes of agriculturists, an intensive effort towards bettering their material condition must be made by studying the requirements of the several classes and by devising the ways and means of uplifting *each* of them.

35. From this it must be evident that absolute action is needed to reform India's agrarian economy from every side beginning with land reform. The objectives of such action are—

(a) All lands should be owned by Government, i.e., the intermediate feudal interests should be removed;

1. 'In 1934, the U. S. Department of Agriculture opened a rural rehabilitation division 'to assist the destitute farm families and other families residing in rural areas to become self-supporting and independent of emergency relief aid.' 'By April 30, 1940, some 837,000 families had received such loans. Many had lifted themselves out of a hopeless situation to self-respect and honest livelihood. More than 114,000 families had repaid their loans by that date. A survey of 360 thousand borrowers made in December 1939 showed that they had increased their net worth by 25 per cent and their net income by 43 per cent since the coming of the farm administration programme. In addition they had increased the amount of food produced for home consumption from a total value of \$54,160,567 to \$89,035,910.'

(b) Occupancy rights should be given to cultivators with certain reservations such as, restrictions as to subdivision of the plot, transfer of land, etc.

(c) These holdings should be economic units and should be, as far as possible, in one block.

(d) The land should be cultivated by the man who owns it.

(e) The cultivator should live on the farm or as near to it as possible.

(f) The land should not be used as security for unproductive purposes.

(g) The holdings should be taxed on a graduated scale.

These are general propositions and should be modified to suit local conditions.

The agrarian reforms in European countries after the Great War were based on these lines<sup>1</sup>. The methods adopted by them to achieve the above-mentioned objectives are—

(a) Fusing up of big estates and setting up of small cultivators thereon;

(b) Putting restrictions on the transfer of land ;

(c) Imposition of low rental so that landowners who do not cultivate may have no incentive to hold lands ;

(d) Financial assistance to tenants to buy land ;

(e) Creation of non-attachable farm properties ;

(f) Prohibition of attachment or subdivision of properties by the declaration of the owner to the judicial authorities that the said properties are "family" properties ;

(g) Preventive measures against the division of land on succession.

36. These reforms have recently been reiterated by the representatives of immigrant governments residing in London in 1944 in their "Report on agrarian problems from the Baltic to the Aegian". The results of these reforms are summarized by the International Institute of Agriculture, Rome, in their bulletin on "Land Tenure System in Europe" (page 71)—

"The immediate result of the agrarian reform has been to transform the traditional agrarian structure of the countries of Central and Eastern Europe. The disproportion between large and small estates has been eliminated, and the present distribution of landed property differs in a marked degree from that obtaining before the (Great) War. About 20 million hectares have passed from the hands of landowners into those of small agriculturists.

Small rural undertakings now provide work for between twice and three times as many persons per unit of area as large undertakings ; and their increase in number has thus led to an increase in the total number of peasants.

1. Land Tenure Systems in Europe: League of Nations Document No 2 for the European Conference on Rural Life (1939).

The formation of a class of peasant proprietors is of fundamental importance in the social and economic organization of these countries ; and it is in this connexion that the profound historical significance of the agrarian reforms arises.

37. Measures of the above type will have to form a part of a comprehensive programme for the development of India's agriculture. Unless the Government energetically pursue such reforms, the basic problems of our agrarian economy will remain unsolved. The greatest obstruction to the progress of such measures is the existence of a variety of vested interests that have cropped up in our land system. These interests are not confined to the permanently or semi-permanently settled estates which cover about 50 per cent of the total area but are operating all over the country in various forms. Instances of these are the "Inam" tenures in Madras and Bombay and "Revenue-free estates" in Bengal and Bihar, and many other tenures of a similar character. These owe their origin to grants made by former rulers of the country in recognition of past services or for the upkeep of religious and charitable services. Apart from the feudal overlordship of the zamindar in the permanently and semi-permanently settled areas, there is, under these, a multi-decked hierarchy of absentee landlords thriving on a vast number of share-croppers. Even in the ryotwari areas, similar interests are presenting themselves in the form of absentee landlordism—more than 50 per cent of the area in the Punjab and 30 per cent in Bombay being in the hands of non-cultivating owners ; conditions in Sind and Madras are no better. This evil of absentee ownership is still spreading over the country. India is pre-eminently a landlords' paradise—nearly 70 per cent of the cultivated area being under their hold. India's agricultural economy has thus come to be characterized by the existence, at one end, of a flourishing class of landlords with no interest in agricultural development, and, at the other, a vast number of indigent people, illiterate, ill-equipped to struggle for existence, suffering from mal- and under-nutrition and thus falling a ready prey to famines and disease as we recently (1943) saw in Bengal, Bihar and Orissa and to a less extent in Madras and Bombay.

38. The fundamental problem of agriculture, therefore, is to transform this occupation from a mode of living into a business proposition for the benefit of the cultivating classes. Large-scale industries would produce wealth but absorb a very small percentage of men. The real solution therefore lies in the readjustment within the agricultural economy itself. All our energies should be directed to reforms on the lines of these two objectives. This would necessitate a readjustment of land ownership and reform of land tenure systems so as to facilitate increased agricultural production and its equitable distribution. The only alternative to taking such measures is to witness an accentuation of the various evils in our agrarian economy, such as absentee landlordism, further subdivision and fragmentation, greater subinfeudation and an increasing number of "uneconomic" holders, share-croppers, tenants-at-will and landless labourers. The policy of uncontrolled and unco-ordinated action must disappear.

As for the measures to be taken to reform the agrarian economy the first step is to know the facts showing how that economy is operating. Unfortunately the most essential statistics and information on land, holdings and the improvements of the cultivators are lacking. This defect must be removed at the earliest date. This information, when collected, should be supplemented by rural censuses taken every five years as in the United States of America or *ad hoc* censuses as on the continent of Europe. The second and equally urgent need is for the Central Government to establish an efficient organization with the best of experts who may be available, make their own independent studies and help the Provinces and the States to frame a concerted policy. The Central Government should provide the necessary funds. The third step is to adopt rehabilitation measures of the nature adopted in the U. S. A., where the cases of groups of men under different categories such as uneconomic holders, tenants-at-will, crop-shares are carefully studied and efforts are made first to resettle them by various measures and then to apply these in a general way. The rehabilitation measures are not confined to land settlements alone but to every aspect of their life in a co-ordinated form so that the whole man is dealt with and put on the way to prosperity. In India our task is very difficult where we have to plan for masses of illiterate men. Therefore, along with the measures recommended for land reform, other measures for "rehabilitation" would also be very necessary. This alone will give as nothing else would, a real insight into the problem. While framing policies for this purpose, the approach should be realistic, since it is easier to suggest remedies than to apply them successfully. In general, unless such comprehensive measures are taken, there is little hope that we will have set ourselves to effectively solve for this country the most baffling problem of our economy, namely, poverty in the midst of plenty.

MANILAL B. NANAVATI

## APPENDIX II

# LAND TENURE PROBLEMS

### A.—PREVAILING SYSTEMS OF LAND TENURE

*Question*

Describe the various systems of land tenure prevalent in your province. State the extent of land held under each of these systems.

#### *Abstract of replies*

1. *Bengal.*—The principal system of land tenure is the Permanent Settlement created by the Regulation I of 1793. The revenue was fixed in perpetuity and all zamindars were placed in the same category. While some farmers obtained some proprietary rights which they had never possessed, the independent chiefs and the old landholding families were confirmed in the position they had occupied for centuries. In certain cases, revenue-free grants made by former rulers which were subsequently recognized and confirmed, are held as revenue-free estates. Later when the policy underlying the permanent settlement was abandoned, new estates were created with either Government or private persons as proprietors, and they are liable to periodical revision of land revenue. The relative importance of these four different types of tenures may be seen from the table below:—

Category.	Number held (in 1,000).	Area in millions of acres.
I. Permanently-settled estates (revenue-paying). ...	94	37.37
II. Revenue free estates ...	51	1.97
III. Temporarily-settled estates ...	4	3.34
IV. Estates held direct by Government ...	4	42.68
		3.65
		<hr/> 46.33

*Note.*—These figures represent gross area of estates, and not merely of lands occupied by ryots in the estates. Further information furnished below is based mainly on the Report of the Land Revenue Commission Bengal.

The "Estates held direct by Government" are the same as what are known as ryotwari tracts elsewhere. Most of the lands in the zamindari estates are held by ryots whose rights in the land and obligations to the zamindar have been regulated by a long series of tenancy laws, the net effect of which is that the ryot possesses substantially the same rights in his holding as ryots holding land direct from Government in Government estates in Bengal, and these again are practically identical with those of ryots holding direct from Government under the ryotwari settlement in other provinces. The incidence of the rent payable by the ryot to the zamindar in Bengal compares, in general, favourably with the incidence of land revenue payable to Government by ryots in ryotwari areas. The land held by a ryot may be cultivated either by himself or by crop-sharing tenant, or by under-ryots. Under-ryots fall into three classes, of which the first possesses practically all the rights of ryots except transferability; the second and the third differ from the first mainly as regards liability to ejectment in certain circumstances. The tenant who is not an under-ryot is usually a crop-sharer (called a *bargader*) and his relations with the ryot are purely contractual.

The following table shows that area of lands held by ryots and under ryots:—

Class of ryots and under-ryots.	Area in millions of acres.
Land held rent-free or on fixed rent ...	3.73
Land held by ryots ...	27.97
Land held by under-ryots ...	3.09
Total	<hr/> 34.79

There is a limited extent of land in the cultivating possession of proprietors of estates and persons holding as under-tenure holders. The exact area is not known, but from certain estimates of these assets made by the Land Revenue Commission, it may be inferred that this is probably of the order of six hundred thousand acres or less than two per cent of the total area held by ryots and under-ryots.

The characteristic feature of the present condition of proprietary rights in estates is the prevalence of subdivision and sub-infeudation to a large extent. The zamindars are free to transfer their rights to whomsoever they might think proper by sale, gift, or otherwise. Where transfers of the nature of a perpetual lease subject to a rent reserved, are effected, a permanent under-tenure is created, which in its turn may be likewise subdivided and sub-infeudated. "The development of sub-infeudation has led to a revenue system of immense complexity, particularly in districts like Bakarganj, where as many as 15 or 20 grades of tenure holders are not uncommonly found."<sup>1</sup>

2. *Bihar*.—The systems of land tenure prevalent in Bihar are substantially the same as in Bengal, the system of permanently-settled estates being the predominant form to an even larger extent. Particulars regarding the gross area under estates are not available. The following table shows the acreage of land held by proprietors, under-tenure holders and different classes of cultivating holders of land:—

		Area in millions of acres.	
A	{ 1. Held by proprietors (including <i>Zirat</i> and <i>Bakasht</i> ).	...	2.12
	{ 2. Held by tenure holders in cultivating possession	...	1.34
			3.46
B	{ 1. Occupancy-raiyats other than those paying produce-rents	...	16.58
	{ 2. Occupancy-raiyats paying produce-rents	...	2.33
	{ 3. Rent-free holders	...	0.95
	{ 4. Raiyats holding at fixed rents or rates	...	0.49
			20.35
C	{ 1. Non-occupancy raiyats	...	0.53
	{ 2. Under-raiyats...	...	0.53
			0.66
Total (A, B and C)		...	24.48
Unoccupied		...	4.25
Grand total		...	28.73

*Note*.—The foregoing figures are based on figures collected from survey and settlement reports, which are liable to be out of date. The figures, therefore, are useful merely for furnishing an idea of the different types of holdings and their relative importance.

The small class of raiyats holding at fixed rents or rates (B-4) are a privileged minority whose status compares favourably with the holders of land under Government in ryotwari areas in that the rents payable by them are fixed in perpetuity. The largest group, namely, the occupancy-raiyats (B-1 and B-2), possess substantially the same rights in land as the raiyats in Bengal and the holders of land under Government in ryotwari areas. The bulk of them (B-1) pay a cash rent, which is revisable. There is, however, a section of occupancy-raiyats (B-2) who are liable to pay a produce-rent.

The produce-rent is sometimes fixed as a share of the produce, sometimes at a fixed quantity per unit of land in the holding, and sometimes as a quantity fixed on the holding. In some cases, the landlord's share is paid according to appraisement and sometimes by actual division. There are also cases where the cultivating holder is liable to pay a cash

rent on fields which ordinarily pay produce-rent when certain crops, particularly sugarcane, are grown on them. The proportion of the produce payable as rent by the cultivating holder varies (presumably with the type of land as well as with the nature of the tenure occupancy-raiyat, non-occupancy raiyat, or under-raiyat as the case may be), and appears to range between one-third and two-thirds. As a result of recent legislation, there is now a statutory maximum to the produce payable by an occupancy-raiyat, and this is 9/20ths of the produce. The incidence of rent in such cases must be many times heavier than cash rents in estates and land revenue payable by ryots in ryotwari areas.

3. *Orissa*.—Tenures prevailing in this Province are substantially similar to those in Bengal, the area of permanently-settled estates being relatively smaller than in Bengal. Relevant figures are given below :—

	Area in millions of acres.
Permanently-settled estates	9.13
Revenue-free estates ...	0.32
Temporarily-settled estates	5.18
	<hr/> 14.63
Raiyatwari and Khas Mahal (corresponding to Government estates in Bengal) ...	5.98
	<hr/> 20.61

There are some distinctive features not present in Bengal which are described below :—

(i) Revenue-free estates in the northern districts of the province are of the same type as in Bengal; that is, a bifurcation of proprietary rights and occupancy rights exists, and cultivators acquire occupancy rights as in zamindaris. In the districts transferred to the province from Madras, this is not invariably the case. Cultivators holding under the revenue-free proprietors may acquire occupancy rights in some estates but not in others.

(ii) In the district of Sambalpur, the Gauntia tenure prevails—a form of tenure intermediate between the zamindari and the ryotwari. The Gauntia is an agent for the collection of revenue due to Government from settled lands. He is the holder of some lands given to him in lieu of remuneration. He has also the rights to lease out the waste lands and appropriate to himself the rent on such lands up to the next settlement. The Gauntia's rights are heritable and transferable. Tenants in such villages acquire occupancy rights.

(iii) Though cash rent is the common feature in the province, a considerable area is held on produce-rent which is generally of two kinds. The commonest form is known as the *dhuli-bhag*, meaning an equal division of the grain and the by-products. The second form is that known as the *Sanja* (i. e., contract), under which a fixed quantity of the produce is payable.

4. *Assam*.—The major portion of two districts in this province (Sylhet and Goalpara) is settled under the zamindari system as in Bengal. The rest of the province is settled under the raiyatwari system. The actual cultivator may be a ryot holding under the Government or a ryot holding under a zamindar. He may also be a tenant holding under a ryot and paying a share of the produce called the *adhi-bhagi*.

	Area in millions of acres. <sup>1</sup>
Raiyatwari ...	29.87
Zamindari permanently settled	3.92
Zamindari temporarily settled	1.70
	<hr/> 35.49

<sup>1</sup> The figures have been taken from "The Indian Rural Problem", Sir Manilal Nanavati and J. J. Anjarlia.

5. *The United Provinces.*—The system of permanently-settled estates prevails in the Benares Division, parts of Azamgarh district, and in parts of the districts of Gonda and Bahraich. The rest of the province is temporarily settled. The ryotwari system does not prevail in the province.

The unit for purposes of settlement is the mahal, which may be either a single zamindari in which a mahal is held by one person, or a joint zamindari in which a mahal may be held by more than one person. The Talukdars of Oudh have the privilege of engaging with the Government for the revenue of a whole taluka instead of for one mahal. They also hold the right to create a sub-proprietary right in favour of another person in the taluka. The rights of Talukdars are transferable and heritable by a single heir.

The following table shows the areas of lands held by proprietors in cultivating possession ('Sir' or 'Khudkasht') and those held by various classes of tenants:—

					Area in millions of acres.
A.	'Sir' and 'Khudkasht'	...	...	...	5.96
B.	(1) Hereditary tenants	...	...	...	14.92
	(2) Occupancy tenants	...	...	...	10.41
	(3) Ex-proprietory tenants and holders of special tenures in Oudh	...	...	...	0.81
	(4) Fixed-rate tenants and permanent tenure holders	...	...	...	0.71
					26.82
C.	Non-occupancy tenants	...	...	...	0.19
				Total	53.07

The tenants of category B, class (4), are those holding lands under proprietors in the tracts under permanent settlement made under Regulation I of 1893. They possess rights in land of substantially the same character as the raiyats in Bengal as well as raiyats holding land under Government in the raiyatwari areas. The other tenants of category B differ from them in this important respect—that they have not got transferable rights. All tenants of category B have got hereditary rights. Non-occupancy tenants (category C) are a small class of tenants who do not possess hereditary rights.

6. *The Central Provinces and Behar.*—In this province there are no permanently-settled estates. The principal system in the Central Provinces is that of the temporarily-settled estates similar to the United Provinces. The proprietors are known as *malikdars*. There is a small class of plot proprietors who are separately assessed to land revenue on lands situated in mahals. These are known as *malik-makbuzas*. The whole of Berar and some villages in the Central Provinces proper are settled on the raiyatwari system. The following table gives the holding of land by proprietors as well as different classes of tenants:—

					Area in millions of acres.
A.	Held by <i>malguzars</i> ('Sir' and 'Khudkasht')	...	...	...	7.47
B.	Held by <i>malik-makbuzas</i>	...	...	...	0.84
C.	Held by absolute occupancy tenants	...	...	...	1.10
D.	Held rent-free subject to rendering village services	...	...	...	0.16
					7.60
E.	Held by raiyats in raiyatwari villages—				
	In the Central Provinces	...	...	...	1.14
	In Berar	...	...	...	1.14
					2.28



7. *Madras*.—The raiyatwari settlement, under which lands are held direct from Government by ryots, is the principal form of tenure in this province. The permanently settled zamindari tenure also prevails to a large extent. The areas are given below:—

	millions of acres.
Raiyatwari area ... ..	27.65
Zamindari area ... ..	12.84

A special form of tenure known as the *inam* also prevails and is to be found both in raiyatwari and zamindari tracts of the province. *Inam* villages or lands may be held either revenue-free or at a reduced assessment called a quit-rent. The *inams* are of many kinds and result from grants made by former Governments for religion, charity, public service, military and other rewards, and so forth; and there are minor *inams* scattered throughout the villages which are enjoyed by village artisans, etc., as part of their emoluments and by various other persons or institutions. Whether or not the tenure of the holder of *inam* is similar to that of proprietors of permanently-settled estates in so far as the rights of cultivators holding under him are concerned, depends on the nature of the grant and the effect of recent legislation.

Other forms of tenure presenting special features are the following:—

(i) In Malabar, three distinct interests in land known as the Janam, Kanam, and Verumpattam, are recognized, and their rights are to some extent regulated by law.

(ii) Instances of temporarily-settled estates of the Central Provinces type are to be found in parts of the East Godavari district.

(iii) In South Kanara, a system of permanent under-tenures has developed within the raiyatwari system, as the result of perpetual leases at a fixed rent, granted by persons holding lands under Government.

Sub-infeudation of proprietary rights in zamindaris has been held in check in this province, since early in this century, as a result of legislation. Many of the larger estates are inalienable and impartible and succession is regulated by the rule of primogeniture.

In general, the relations between tenants and holders of land are governed by contract, whether the holders of land are raiyats holding under Government under the raiyatwari system, or raiyats holding under proprietors under the zamindari system. Broadly, tenancies are either on a crop-sharing basis or on the basis of fixed or standing rent in cash or produce. Under each of these, there are some variations in accordance with the nature of the land, irrigation facilities, and contribution of seed, manure and plough-team by the landlord and the tenant, respectively and the kind of crop raised.

8. *Bombay*.—The predominant form of tenure in this Province is the ryotwari system. Out of 32.29 million acres of occupied assessed land, 24.44 million acres are held on this tenure. A small proportion of this area, 1.22 million acres, is held on what is called the restricted ryotwari tenure under which the holder is subject to the condition that the land cannot be transferred except with the permission of the Collector. This restricted tenure is generally made applicable only to backward classes of cultivators.

While the zamindari system as such either in its permanently-settled or temporarily-settled form does not prevail, the *inam* tenure is common as in Madras. There are also the following special forms of land tenure:—

(i) *Talukdari tenure*.—This is found within the Ahmedabad district. Talukdars are absolute proprietors of their respective estates, subject to the payment of Government demand which may be either fixed or liable to periodical revision. The more important of these estates observe the rule of primogeniture, but in the case of the smaller ones the number of co-sharers increased from generation to generation. The talukdar cannot encumber his estate beyond his own lifetime without the permission of the Talukdari Settlement Officer, or alienate it permanently without a Government sanction.

(ii) Other forms of tenure are the *Bhaglari tenure* in parts of Kaira, Narvadari tenure in Broach, the *Khoti tenure* in parts of the Bombay suburban, Colaba, and Ratanagiri districts, *Mehwasi tenure*, *Udhad Jamabandhi tenure*, *Maleki tenure*, and the *Sorali tenure*. In general these special features partake of the characteristics of temporarily-settled estates.

The total area under inam, talukdari, and other forms of alienated tenures is 7.86 million acres.

9. *Punjab*.—The cultivated area of the province (31.17 million acres) is held by owners and tenants as shown below:—

					Millions of acres.
(i) Tenants-at-will	...	...	...	...	15.26
(ii) Owners	...	...	...	...	9.49
(iii) Government tenants	...	...	...	...	3.23
(iv) Tenants with rights of occupancy	...	...	...	...	2.54
(v) Government lessees	...	...	...	...	0.65
					<hr/> 31.17 <hr/>

Though the term 'zamindar' is generally used to describe a landholder in this province, the tenure system is essentially ryotwari, that is to say, the person who holds land direct under Government is also the person who has the permanent and heritable right to cultivate the land. This is not, however, the case in respect of lands held by tenants with rights of occupancy who hold 2.54 million acres. These tenants hold under other owners who hold under Government. The nature of their right in the lands they hold is, however, substantially the same as those of ryots holding land under Government in ryotwari areas; or under proprietors in permanently-settled areas. They have to pay the owner a small sum in addition to the land revenue demand of the Government, for which theoretically, the owner is held responsible. The class described as Government tenants holding 3.23 million acres was created by the Colony Act of 1910 which gives them certain rights of alienation and succession. The rights and obligations of this class of tenants are governed by a statement of conditions issued by the Government which usually provide for the acquisition, first, of occupancy and, ultimately, of proprietary rights. (This class is, therefore, analogous to the ryots holding land in Bombay on the 'restricted' ryotwari tenure.) The Government lessees are tenants holding for a term according to their leases. The tenant-at-will holds generally under 'owners'; and has no security of tenure beyond his claim to harvest the crops he has sown, though in practice satisfactory tenants are hard to replace and are not ejected. The prevalence of large holdings is a notable feature of this province. It has been estimated that 2.4 per cent of the owners hold 38 per cent of the land, and their holdings are 50 acres or more in extent.

10. *Sind*.—Here also the ryotwari system prevails. Roughly four-fifths of the cultivated land is held by persons who, as in the Punjab, are described as zamindars. Their lands are cultivated by tenants (known as *haris*) on the 'batai' or crop-sharing system. The cultivator provides his own labour and that of his bullocks in return for a half-share of the crops which he harvests. All Government dues on the land are paid by the owner. Land-owners who are unable to manage their own lands on this system customarily grant leases for a period of five years and the lessee, in his turn, gets the land cultivated on the crop-sharing system by *haris*.

11. *North-West Frontier Province*.—The principal form of land tenure in this province is called *Bhaischar*, under which the whole "village brotherhood" undertake a measure of responsibility for land revenue due from individual holders to Government. In practice, however, the responsibility for payment of defaulted revenue is not confined. Cultivators; tenure are described as *Zamindari* and *Patidari*. Particulars of area are unavailable.

## B.—SIZE OF HOLDINGS; SUBDIVISION AND FRAGMENTATION

*Question*

(i) Is there a tendency to progressive reduction in the average size of holding and/or their fragmentation?

(ii) Have any measures been adopted to restrict subdivision of holdings, if so, with what results?

(iii) Have any measures been adopted to promote consolidation of holdings, if so with what results?

(iv) What measures would you recommend for securing improvement in these respects?

*Abstract of replies*

## Part (i) of the question

1. (a) "*Is there a tendency to progressive reduction in the average size of holdings?*"—Assam, Bihar, Bengal, Bombay, the Central Provinces and Berar, Madras, Orissa, and the Punjab Governments agree that the tendency exists and is well marked. In the case of the United Provinces, available information is inconclusive, and it seems probable that there has not been much subdivision of holdings but a decrease in the size of plots within holdings. Joint holdings continue to be a common feature. In Sind it is stated that there is no problem since the great bulk of the cultivated land is composed of fairly large estates. The Provincial Government add that the tendency to fragmentation<sup>1</sup> in small peasant holdings has been checked by imposing conditions of impartibility on peasant grants. In the North-West Frontier Province, it has been stated that there is no tendency to progressive reduction in the size of holdings or their fragmentation<sup>1</sup>. The fragmentation of holdings is the inevitable result of partition proceedings and inheritance under customary law or the Shariat following death.

(b) "*Is there a tendency to progressive fragmentation of holdings?*"—It is agreed by all provinces that there is such a tendency. Except in Sind and the North-West Frontier Province, it is also agreed that this is a problem requiring remedy.

## Part (ii) of the question

2. "*Have any measures been adopted to restrict subdivision of holdings, if so, with what results?*"—No remedies have been tried in any province. The following may be regarded as exceptions to this statement. (a) In the Central Provinces, revenue officers are forbidden to partition a holding if it involves the formation of a holding with an area of less than 10 acres. This is enforced by a rule under the Central Provinces Tenancy Act. This is not effective as the parties can privately partition the same holding to any extent they desire. In Berar, there is a similar minimum limit for subdivision which is, however, only one-fourth of an acre. It is possible that there are in other provinces also some limits to officially recognized subdivisions, but, as in the Central Provinces, they must be ineffective for preventing private partition. (b) In Sind, it is reported that conditions of impartibility are imposed on grants referred to already.

## Part (iii) of the question

3. "*Have any measures been adopted to promote consolidation of holdings, if so, with what results?*"—No measures have been tried in Assam, Bihar, Bengal, Bombay and Orissa. No measures have been tried in Sind except the imposition of conditions of impartibility on peasant grants referred to already.

In Madras, an attempt was made in 1936 to secure consolidation of holdings and 25 co-operative societies were organized. Only 1,599 acres were consolidated, and the Government abandoned the experiment and concluded that, "so long as subdivision has to go on,

<sup>1</sup> The problem of subdivision and not of fragmentation is probably referred to here.

any attempt at consolidation of holdings was bound to fail." The experiment was tried in the absence of special legislation and this is said to be one of the causes of failure. Other difficulties are stated as follows:—

- (a) The general conservatism of ryots.
- (b) Difficulties in title, especially where minors were involved.
- (c) Encumbrances on fragments which could not be cleared.
- (d) Expenditure on encumbrance certificates and registration fees.
- (e) Inability to prevent consolidated holdings from being fragmented again or from being encumbered.

In the *North-West Frontier Province*, the revenue officers are required to make endeavours to arrange partitions so as to secure consolidated holdings, but the experience is that this is not always possible.

The provinces in which action has been taken with some success are the *Punjab*, the *Central Provinces* and the *United Provinces*. Initially, consolidation was effected in the *Punjab* on an entirely voluntary basis through Consolidation of Holdings Societies, which numbered 1,807 on 31st July 1943. The total area consolidated by them was 1·45 million acres. Certain measures of compulsion have been provided by the Consolidation of Holdings Act under which work has been carried out in 376 villages and 0·31 million acres have been consolidated. The work is in progress in 86 more villages. The main difficulty is that it takes a long time to secure the consent of two-thirds of the landholders which is the prerequisite for compulsory consolidation. Inadequacy of trained staff was another difficulty, which it is hoped will diminish after the war.

In the *Central Provinces*, fragmentation is being remedied by consolidation operations which have been in progress since 1926. They have been successfully completed in 2,476 villages in three districts of Chhattisgarh division under the Central Provinces Consolidation of Holdings Act of 1928.

In the *United Provinces*, consolidation of holdings is being encouraged through the co-operative movement since 1924. The results were small, approximately 42,000 acres being consolidated. Similar work was also undertaken in some Court of Wards Estates. The United Provinces Consolidation of Holdings Act was passed in 1939 and came into force in January 1940. Work was undertaken in six districts, but there has been difficulty owing to dearth of trained officers and staff. The Co-operative Department also continues its work on a voluntary basis. Further, the United Provinces Tenancy Act of 1932 contains provisions for helping the tenants to consolidate their holdings by exchange or regulation.

#### Part (iv) of the question

4. "What measures would you recommend for securing improvement in these respects?"—(a) *Remedy for fragmentation*.—It is recognized generally that there is no real remedy for fragmentation as long as the process of subdivision continues unchecked. But this does not necessarily mean that anti-fragmentation is without value even if subdivision is not checked. Operations similar to those undertaken by the *Punjab*, the *Central Provinces*, and the *United Provinces Governments* under special laws providing for consolidation of holdings are favoured by other provinces generally, except in *Madras* where the attempt to deal with fragmentation has been given up and the view has been expressed that "the best method of combating fragmentation would seem to be the encouragement of co-operative farming."

In *Bihar* the question is under consideration by the Post-war Agricultural Reconstruction Committee, though it is felt that there are formidable difficulties in the way of consolidation which are presented by the multiplicity of tenured holders between the ryots and the Government in that province which has been accentuated by the formation of *panpattas* under the Estates Partition Acts. Other difficulties are the interference of the

ryot and encumbrances of the nature of usufructuary mortgages. Compulsion is not favoured at any rate in the initial stages, as it might well cause hardship to the poorer cultivator and might create considerable confusion and unsettlement in the rural credit structure.

In *Bombay*, a Bill is being prepared to provide for the consolidation of holdings and is supported by the public opinion.

In *Bengal*, the Land Revenue Commission which considered the subject agreed that consolidation was desirable but saw great difficulty in carrying it out in Bengal.

(b) *Remedy for subdivision*.—The gist of opinion expressed by Provinces is given below:—

(i) *Assam*.—The operation of the laws of inheritance will have to be checked. Some sort of a right of pre-emption will help. No effort in this line by legislation will be successful unless simultaneously industries are developed to absorb the extra man-power from the land.

(ii) *Bihar*.—The obvious remedy is to change the law of inheritance and to introduce the law of primogeniture. Such legislation is bound to be unpopular, will not help existing small holdings, and may be inexpedient until productive alternative occupations are available for the junior members of the family.

(iii) *Bengal*.—The problem reflects the ever-increasing pressure of population on land which is at the root of all the economic difficulties of the province. The laws of inheritance coupled with the free right of transfer have led to a systematic increase in the subdivision of holdings. The Land Revenue Commission considered the possibility of modifying the laws of inheritance or introducing a system of preferred heirs, and held that this was impracticable.

(iv) *Bombay*.—Public opinion is unlikely to support measures to check subdivision involving interference with the laws of inheritance.

(v) *Central Provinces and Berar*.—Consolidation has reduced fragmentation to the minimum but cannot stop the process of refragmentation as long as the present laws of inheritance continue.

(vi) *Madras*.—The best method would seem to be the encouragement of co-operative farming.

(vii) *Orissa*.—The problem is due mainly to the growth of population and the increasing trend towards the break-up of the joint family system. The laws of succession and also the free transferability of land are other causes. Suggested remedies are some form of pre-emption and collective or co-operative farming.

(viii) *Punjab*.—It is not possible to restrict subdivision of holdings without changing the law of succession. Public opinion is strongly opposed to depriving the owner's sons of their share until some equivalent means of income are ensured for them.

(ix) *United Provinces, Sind, and North-West Frontier Province*.—These Governments have expressed no opinion on this point.

## C.—LANDLORD AND TENANT

### Questions

(i) To what extent was there a tendency for ownership of land to pass out of the hands of cultivating classes to non-cultivating classes? Has this tendency been arrested or reversed to any significant extent?

(ii) Is absentee ownership of land increasing? If so, do you consider it to be a factor restricting the growth of agricultural production? Have any remedies been tried and with what results? Can you suggest any remedies?

(iii) Are the cultivating classes rack-rented in any areas of your province? Have any remedies been tried? If so, with what results? Can you suggest any remedies?

*Abstract of replies*

1. *Bengal.*—(i) There is no doubt that there is an increasing tendency for ownership of land to pass out of the hands of the cultivating classes. The transferees may be either non-agriculturists or agriculturists who have already got more land than they could cultivate directly. There is no reason to suppose that the tendency has been arrested or reversed; and it may be presumed to have been rendered worse by the Bengal Tenancy (Amendment) Act of 1938 which by removing restrictions on rights of transfer, has greatly facilitated the passing of lands out of the hands of *bona fide* cultivators.

(ii) Absentee ownership has been increasing and is an evil because it has resulted in cultivation being done by indifferent agriculturists or rack-rented *bargadars* or under-tenants. No remedial measures have been tried. Possible remedies are stated to be (a) the provision of each agricultural family with an economic holding from which it can earn its livelihood, and (b) the interdiction of all kinds of transfer of agricultural lands to non-agriculturists.

(iii) Bengal Government have not commented on the rack-renting question so far as it relates to tenants at will. The views of the Land Revenue Commission on the *barga* system were as follows: "The system has many advantages. When a share of the crop is paid, fluctuations in the cash value of the produce have no application and whether there is a good or bad crop the amount paid varies with the outturn. The system is of great assistance to widows, minors, and other people who are temporarily incapacitated from agriculture. Such people would be great losers if their only way of getting their lands cultivated without losing for ever the right to return to it was the employment of labour hired by the day or the month. The disadvantages are as follows: The *barga* system overrides the principle that the tiller of the soil should have security and protection from rack-renting. No one denies that half the produce is an excessive rent. Further, the balance of opinion in all countries is that this system of cultivation is not economic and, therefore, not in the interests of the community as a whole. The cultivator only gets the benefit of half the value of any increase in yield, which is the reward of his own labour or enterprise. If the crop is even a partial failure, he does not earn the cost of cultivation." The Commission, therefore, recommended that *bargadars* who supply the plough-cattle, and agricultural implements should be treated as tenants and protected as under-ryots are protected—without necessarily all the rights of occupancy. The Commission further recommended that the share of the crop, legally recoverable should be reduced to one-third instead of half, although it was recognized that there would be practical difficulties in enforcing the limitation.

2. *Bihar.*—(i) There has been a tendency for ownership to pass out of the hands of petty cultivators to bigger cultivators and others who employ hired labour. This has been checked to some extent as a result of the recent rise in prices but might increase again after the war when prices will fall, unless the prices of agricultural products were stabilized at an economic level and subsidiary occupations are provided for small holders.

(ii) Absentee ownership of land is rather increasing but it has not restricted agricultural production except in so far as it has resulted in neglect of sources of irrigation. The problem has not yet assumed such proportions as to call for special remedies.

(iii) There is practically no rack-renting in the province. Tenant-wholetail *Batauli* lands or are under-ryots of big cultivators are the only class who can be said to be rack-rented. This has been controlled by tenancy legislation and no remedies seem to be called for at present.

3. *Orissa.*—(i) There are reasons to believe that the right of free transferability of land has prejudicially affected the small cultivators. At present there is no noticeable tendency for ownership of land to pass out of the hands of the cultivating classes to non-cultivating classes, but there is a tendency for land to pass from small cultivators to big cultivators or to persons who are men of professions as well as cultivators. Remedies suggested are (a) cheap credit and supplemental employment to small cultivators, and (b) restrictions on rights of transfer including prohibition of transfer by small holders.

(ii) There is a growing tendency for occupancy ryots and other tenants getting income from their land without cultivating it. Sub-letting to under-ryots by persons living far away from the village in which their lands are situated is on the increase. Such absenteeism is a factor restricting the growth of agricultural production because the under-tenant does not take sufficient interest in the land. No remedies have been tried. Possible remedies suggested are (a) legislation providing right of occupancy to under-tenant in respect of lands under his cultivation for a number of years and (b) ejectment of owner from lands which remain fallow without sufficient reasons for a number of years consecutively.

(iii) A considerable area is held on produce-rent, of which the commonest form is the equal division of grain as well as by-products. There is a less common form under which a fixed quantity of the produce is paid. Under both the systems tenants are rack-rented as they are made to pay rent generally at half the gross-produce, which in money represents more than three times the average cash rent in normal times and about eight times at the present prices of paddy. No remedies have been tried. Possible remedy suggested is amendment of tenancy laws prescribing a maximum of one-third of the gross-produce as the legally recoverable rent. The Government of Orissa have also stated "No step has been taken to check absentee landlordism nor is it very necessary to do so. What is required is to place some statutory obligations on the proprietors to effect improvements in agriculture and not to depend on the possibility of development which landlords induced or compelled to live on their estates, might voluntarily make." 1

4. *Assam*.—Transfer of land to non-cultivating classes is not appreciable. There is no substantial absenteeism, but there is rack-renting in the zamindari areas, for which the abolition of the zamindari system is the only remedy.

5. *Madras*.—(i) An investigation of transfers during the period 1931 to 1934 showed that about 20 per cent of all the areas transferred went to non-agriculturists, while a very large proportion went to big absentee landholders, particularly agricultural money-lenders. This was the result of foreclosure on debts. A definite reply cannot be given as to whether the tendency has been curbed or not in recent years. The indications are that the tendency has decreased.

(ii) There is definite indication that absentee ownership of land was on the increase. It is no doubt an important factor tending to restrict production since neither the absentee landlord nor his short-term tenant is interested in investing capital on the improvement of the land or the adoption of intensive methods of cultivation. No remedies have been tried. The only remedy seems to lie in the formation of co-operative farming societies.

(iii) It cannot be said whether the cultivating classes are rack-rented generally in any area in the province, as sufficient information is not available. There is nothing in the law to prevent the tenant of the ryotwari ryot or of an occupancy ryot or of an *inamdar* possessing both *warams* in the land, being rack-rented. More research into tenancy conditions is necessary.

6. *Bombay*.—(i) One of the results of agricultural indebtedness is the transfer of land from the cultivating classes to the non-cultivating classes. The process is, however, slow and is checked by the Dekkhan Agriculturists' Relief Act, the Agricultural Debtors' Relief Act, and by the introduction of the restricted tenure.

(ii) Absenteeism is a factor restricting production because the absentee landlord cares only for his annual rent and takes no interest in the improvement of his lands or the introduction of improved methods of cultivation. The tenant who cultivates lands on lease, which is generally annual is not sure how long the lands would remain in his possession. If he sows improved seed or puts in good manure or extra labour to improve the land half of

1 The reference to 'landlords' is however to proprietors of estates who, in the main, are rent-holders. The opinion expressed is worth considering in relation to absentee landholders also.

the increased produce so obtained at his cost goes to the landlord and thus the tenant does not get a proper return for his labour and enterprise. The Tenancy Act was passed in 1941 in order to give stability to the existing tenants and encouragement to take interest in the lands leased to them. Under this Act, the landlord cannot resume lands from the existing tenant for a period of ten years and cannot increase his rent except for improvements carried out at his expense. The Act has been applied to selected areas to begin with and it is proposed to extend it to other areas.

(iii) While rack-renting is not the general rule, it is true that in many areas the landlord receives more than the reasonable rent. The Tenancy Act provides an opportunity to the tenant to have a reasonable rent determined by a revenue officer and the levy of an illegal revenue or forced labour or services is prohibited.

7. *Central Provinces and Berar.*—(i) There was an increasing tendency for ownership of land to pass out of the hands of cultivating classes, but this has been checked by the Debt Conciliation Act, the Money-lenders Act, the Relief of Indebtedness Act, etc. There is now a tendency for ownership of land to go back to the agriculturists as a result of good profits made in agriculture. In Berar, most of the lands bought up by co-operative banks have been sold back to the agricultural classes.

(ii) Absenteeism is not on the increase, and the problem is not particularly conspicuous at the present moment, though it is true that lands held by absentee owners are not so well cultivated and sometimes remain uncultivated for want of proper management.

(iii) Rack-renting is not a substantial menace. The tenancy laws provide safeguards against it.

8. *The United Provinces.*—(i) Where transfers of cultivating tenures take place, the transferee usually belongs to the cultivating class, because unless he sublets the land, he himself cultivates it. The United Provinces Tenancy Act provides for restrictions on sub-letting and for ejectment as a penalty for sub-letting in contravention of the Act. The recent working of the Tenancy Act shows that ejectments of tenants giving sub-leases in contravention of the Act have been rather large. The Act provides an effective check against the transfer of cultivatory right to non-cultivating classes.

(ii) The United Provinces Tenancy Act provides for a tenant's holding to be treated as abandoned in certain circumstances. This, together with the restriction on sub-letting, provides sufficient safeguard against absentee tenants leaving their holdings so uncared for that agricultural production might suffer. No further remedies are required.

(iii) Apart from stray holdings here and there, it is doubtful whether there is any area in the province in which it can be said that the cultivating classes are rack-rented. The provisions of the United Provinces Land Revenue Act and the United Provinces Tenancy Act provide a fairly effective control against rack-renting in general.

9. *Punjab.*—(i) In the last quarter of the last century, there was an increasing tendency for the ownership of land to pass out of the hands of the cultivating classes to non-cultivating classes. It was checked by the Punjab Alienation of Land Act, 1901, which restricted the rights of transfer from the agriculturist to the non-agriculturist class. Further restrictions have been placed by an amendment of the Act in 1915.

(ii) Without making special enquiries, it is not possible to say for certain whether absentee ownership is increasing. There is no doubt that absentee ownership has an adverse effect on land improvement and agricultural production. No remedies have been tried. Possible remedies cannot be suggested because it is a very controversial question which requires careful consideration.

(iii) Undoubtedly the cultivating classes are sometimes rack-rented. No enquiry has ever been held to determine the extent of this rack-renting, and it is therefore not possible to say how prevalent this evil is nor whether any special remedies are required.



The whole question of tenants' rights and treatment of tenants is a very controversial one on which no opinion can be expressed without fuller consideration.

10. *Sind*.—(i) The position about transfer of land to non-cultivating classes was never particularly serious; it seems to have disappeared at present because of the greater holding power of the owners, and in order to check whatever tendency there may be in future, a Land Alienation Bill is at present being conducted to its final stage in the legislature.

(ii) Absenteeism is recently on the increase on account of the Hur troubles and only the complete eradication of the Hur terror can be expected to remedy this. Before these troubles, absenteeism was decreasing, and owners were taking more active interest in the development of their estates.

(iii) Rack-renting is not a possibility under the Sind Crop-sharing System owing to the shortage of agricultural labour.

11. *North-West Frontier Province*.—(i) Since the introduction of the Land Alienation Act to all districts of the Province, there has been no tendency for agricultural lands to pass to non-agriculturists.

(ii) Absenteeism is not increasing and is insignificant. Where owners are absent they are in every case represented by a close relation who arranges for the proper cultivation of the land.

(iii) Rack-renting is an unknown feature in this Province because the tenants receive a share of the crop varying from one-third to two-thirds of the produce according to local conditions.

## D.—REFORM OF LAND TENURE

### *Questions*

The view has been expressed that unless changes are made in the prevalent systems of land tenure, it would not be possible to secure any significant increase in agricultural production or significant improvement of the standard of life of the cultivating classes. Do you agree with this view? If so, discuss in relation to each system of land tenure prevalent in your Province, those aspects which, in your opinion, are objectionable as tending (a) to prevent extension of cultivation or irrigation or (b) to prevent the adoption of improved methods of agriculture or (c) to prevent the cultivator from securing a fair return for his labour and enterprise. Outline the changes which you consider necessary and the measures by which such changes can be brought about.

### *Abstract of replies*

1. *Assam*.—Parts of the Province (e. g., the Assam, Vally) are under temporary settlement. The Government are of the view that "while the ryotwari tenure induces increased production, the opposite is the case in zamindari areas." In view of a "general feeling of insecurity" under the zamindari system, its total abolition is advocated.

2. *Bengal*.—The Government of Bengal have replied as follows:

The Land Revenue Commission in their report, which was submitted in 1940, has examined the existing land system of Bengal in its various aspects with special reference to the permanent settlement and its effects on the economic and social structure as well as its influence on the revenues and administrative machinery of the Province of Bengal. In the opinion of the majority of the Commission the disadvantages of the existing system are as follows:—

(1) The existing system has rendered land revenue almost entirely inelastic for about 150 years and the share which the Government ought to receive from the produce of the land is substantially less than the share taken in Provinces where there is no permanent settlement and where lands are less productive than it is in Bengal.

(2) It has deprived the Government of the benefit of more valuable crops and higher prices and of any share in the increase in the value of land due to increase of population and extension of cultivation or growth of towns and the development of trade and industries the benefit of which is appropriated by a few. Government also does not get any share in the profit from mineral rights and fisheries in certain navigable rivers.

(3) It has resulted in inequalities of assessment having no relation to the productive capacity of land.

(4) The system has deprived the Government of the close contact with and intimate knowledge of rural conditions which the ryotwari system affords.

(5) It has imposed an "iron framework which has had the effect of stifling the enterprise and initiative of all classes concerned" with the result that the efficient landlord-tenant system as visualized by Lord Cornwallis has not been realized. On the other hand, the "evils of absenteeism, and management of estates by unsympathetic agents resulting in unhappy relation between the landlords and tenants have grown to such an extent that Government has been compelled to employ for the protection of the tenants a more stringent measure of legislation than has been found necessary in temporarily-settled areas.

(6) It has permitted the creation of a number of intermediaries between the zamindar and the actual cultivator none of whom have either the incentive or the power to provide any effective means for improvement of agriculture. The Government also finds little inducement to spend public money on agricultural development, as the benefit of the improvement goes into private hands, with the result that improvement of agricultural land is nobody's concern.

(7) The number of rent receivers is ever on the increase while there is a steady reduction in the number of cultivating owners of lands and the dispossessed cultivators are swelling the number of *bargadars* or of landless agricultural labourers.

(8) The complexities of the existing system have led to an immense volume of harassing and expensive litigation between the landlords and tenants and in the privately-managed estates, illegal collections still represent an appreciable addition to the burdens of the cultivators.

(9) In permanently-settled areas it is virtually impossible to secure remission of rents in areas affected by drought, flood or other natural calamities.

(10) So long as the zamindari system remains, it will be difficult to evolve any satisfactory arrangement for revising rents all over the Province on an equitable basis and for maintaining the records-of-rights. It is also doubtful if under the existing system, the legislator would ever agree to provide a really efficient machinery for realisation of rent with a view to that arrear rents would go on accumulating and there will be a complete breakdown of the system. The stability and security of the land system has already been threatened by the development of no-rent mentality amongst the ryots in certain areas.

For the reason summarized above the majority of members of the Council are definitely of opinion that whatever may have been the justification for the permanent settlement in 1793, it is no longer suited to the conditions of the present time and that no other solution than State acquisition of the interests of all classes of rent-receivers on rent-free terms will be adequate to remedy the defects of the existing system. They are of opinion that in order to improve the economic condition of the cultivators, the permanent settlement and zamindari system should be replaced by a ryotwari system. In that case State ownership as a sole landlord would be in a much stronger position to initiate schemes for (1) consolidation of holdings, (2) restoration of economic holdings, (3) provision of proper title, and (4) prevention of transfer of land to non-agriculturists. Government management, although it might not be universally popular, will certainly be more efficient and more in the interests of the agricultural population than zamindari management.

The Provincial Government add: "The minority view is of the opinion that from a social, economically and financially, State acquisition would be a harmful measure and that

that no such scheme can be supported unless it can be clearly demonstrated that the cultivators will benefit by it. They hold that the present economic difficulties of the cultivators in Bengal are unconnected with the land revenue system. They are mainly due to (1) increasing pressure of population, (2) the Hindu and Muslim laws of inheritance, and (3) under-employment of the cultivators. These are the problems which would have to be faced whatever be the nature of the land revenue system of the country. On the other hand, under the existing system the occupancy ryots in Bengal pay lower rate of rent but enjoy greater privileges and protection than the tenants in other provinces. As regards sub-infeudation, it is contended that it has led to a wide distribution of agricultural income and has given an interest in land to many of the middle classes. By State purchase they will be cut off from all connections with the land. This would inevitably lead to a social upheaval. The number of big landlords is very small; by far the largest majority own small estates and tenures and compensation that they will receive will be insufficient to induce them to invest their money in industrial concerns. They will either squander the money or re-invest it in land by purchasing occupancy holdings and the result would be that a form of landlordism would again develop on a lower scale. Another grave danger of State landlordism is that the level of rent may become the subject of electioneering campaign as the tenants' votes now control the legislature."

As regards the economic condition of the cultivators, the Government say: "It must be pointed out however that as far as the different classes of estates in Bengal are concerned, there is no substantial difference in the economic condition of the cultivators. The principal impediments to extension of cultivation and adoption of improved method of agriculture are

- (1) existence of a large number of intermediaries between the zamindar and the actual cultivator;
- (2) ever-increasing pressure of population on agricultural land which has created an agricultural population—the majority of whom possess small-sized uneconomic holdings as there is not enough land to go round;
- (3) excessive fragmentation and subdivision of holdings caused by the operation of the Hindu and Muslim laws of inheritance; and
- (4) unrestricted right to transfer or sub-let.

These drawbacks are common to the three systems of land tenure prevalent in this Province (viz, the permanently-settled estate system, the temporarily-settled estate system, and estates held direct by Government). In Government-managed estates, although some extension of cultivation has been brought about by the system of colonization, it has not been possible to undertake any large-scale scheme for improvement of agriculture. There is nothing however, to prevent a cultivator from securing a fair return for his labour and enterprise although for reasons stated above the average cultivator has not much scope for enterprise."

Concluding, the Provincial Government state that they "have already considered the principal recommendations of the (Land Revenue) Commission regarding State purchase of zamindaris and have accepted the principle of bringing the actual cultivators into direct relation with Government by acquiring the interests of all classes of rent-receivers on reasonable terms. Necessary action to implement the decision is proposed to be taken as soon as normal conditions have returned in the country."

*A professor of economics argues* "that no significant increase in crop production in Bengal will be possible without a thorough overhaul of the present system of land tenure." According to him, "the present system should be abolished by buying off all the intermediate interests on the lines recommended by the Floud Commission and direct relationship should be established between the State and the cultivator. The land tenure system should be as follows: (1) The cultivator should have heritable and transferable right in the land, subject to good cultivation, sale or transfer to non-cultivators being prohibited. (2) Good cultivation, among other things, will consist of collective farming according to the directions given by the State from time to time. (3) The minimum size of a collective farm should be 1,000

bighas. (4) The net income of the collective farm should be subject to an income-tax, in lieu of land revenue, the total assessment being divided *pro rata* among the members of the collective farm. (5) All collective farm should be knit into an ascending series of multipurpose co-operative federations through the union, the thana, the district and the Province."

Another non-official view is as follows: "If we assume the State requires all the rights in land, it follows future land tenancy should be looked upon as a form of trusteeship and the trustees permitted to remain in office only so long as they carried out faithfully the terms of the trust deed (their lease) . . . Supposing we take an imaginary area of 1,000 acres available for handing over to trustees to work in the interest of the community as a whole. There is no special virtue in 1,000 acres, the area might be smaller or larger, though if it were much smaller it is doubtful whether a correct balance could be maintained. All the people in the area should be offered an opportunity to combine the benefits to be derived from the trusteeship, in some form of co-operative society. They would not all be required to work on the land, some would be blacksmiths, others teachers, others technicians, artisans, doctors, in fact, everybody necessary for the life of an expanded community willing to contribute his or her talents for the common good in exchange for a guaranteed share of the benefits to be derived from trusteeship of the 1,000 acres. Would not the agriculturist jump at the chance,—the teacher, the doctor, the blacksmith? Next it would be necessary to delegate power from the trustees to a small selected body of their number, a panchayat. This panchayat would be required to chalk out a programme whereby the balance between wood land, arable land, pasture land, watersupply, fallow land, animal could be restored to the area as quickly as possible. Fields would be enclosed, in many cases by quick-growing hedges, cows tethered and fed by cut grass grown specially for fodder, the best plants selected to provide seed, cattle bred only from the best bulls; in fact, the panchayat would set in motion a programme for improvement such as set out in Bragyle's "Better Villages." Every area of 1,000 acres has the men capable of putting in motion such a programme—it only needs our leaders to have the vision and the courage to give them a chance. If a start is made with leguminous crops there need be no fear of the land failing to do its part. No attempt will be made here to set out desirable crop-rotations as they must depend on local conditions to a considerable extent. There is no doubt the wise men of the villages know the correct rotation—in another generation or so the knowledge will be lost unless there is a radical change in land tenure system. With it will go our Civilisation."

A Divisional Commissioner in Bengal takes the view that "changes in the land tenure will not effect any great improvement in agricultural produce, because the chief obstacle is the poverty of the bulk of the cultivators. . . . It is the pressure of population on the land, the smallness of the holdings which prevents the agriculturist getting what appears to be a fair return. Big farms could be run profitably. On the other hand, the agricultural economy of Bengal is primarily not based on cash values. . . . and it is only when the returns and costs are put on a cash basis that the return does not seem to be adequate. In other words, when standards not consonant with the agricultural economy of the Province are applied, does the return seem unfair. But it may be admitted that much of the agriculture is economically unsound for reasons already mentioned."

3. Bihar.—The Government's reply is as follows: "The view that unless the changes made in the prevalent systems of land tenure, it would not be possible to secure any appreciable increase in agricultural production, is in accord with facts. In the Province, most of the estates are permanently settled. In theory, this ought not to stand in the way of increasing agricultural production, but it does in practice. . . . The other view that the general improvement in the standard of life of the cultivating classes depends not so much on the system of land tenure has also much to support it. . . . It is not from the point of view of expediency as on larger grounds of public interest, ably summarised by the Hon. C. M. S. that the abolition should be seriously considered by the State. The Hon. C. M. S. has suggested that its liquidation can be effected in an orderly manner as a business proposition. . . . The

Provincial Government go on to state: "On the other hand, it should not be understood that the mere acquisition by the State of all intermediate proprietary interests between the ryot and the State will by itself lead to either increased agricultural production or improve the standard of life of the cultivator. The Government khasmahals are not conspicuously superior to many private estates, nor is the standard of life of a ryot in ryotwari Provinces much superior to that of a ryot in permanently-settled areas. The acquisition should be followed by large-scale reorganization of agriculture including co-operative farming, large-scale irrigation and intensive and widespread application of all the well-known methods of agricultural development, besides providing outlets for surplus agricultural labour. There should also be extensive education, health and other facilities and amenities and the huge loss of wealth or capital caused by epidemics among men and cattle must be prevented. The increased resources of State should render all these possible."

*An officer of the Government of Bihar takes the view that "mere changes in the system of land tenure will not bring about a significant increase in the productivity of the soil or the standard of living of the cultivator. Though tenants-at-will hold land on most insecure terms and have to pay the highest rents per bigha, yet his yield per bigha is not much less than that of the occupancy tenant. Again, the yield from mokarari land (where the amount of rent is fixed) is not much less than that of occupancy land which is subject to enhancement of rent. The impediments to improvement of cultivation are conditioned not so much by the system of land tenure followed, as by the smallness and fragmentation of holdings, want of capital and want of knowledge of better methods of cultivation."*

*A non-official from Bihar is of the following opinion: "Generalization will be misleading. The present land tenure system, in some cases, is useful, in others harmless, but in some cases positively injurious. Since the permanent settlement, the laws of inheritance have resulted in considerable division of property, and petty landlords scattered over a large area have sprung up. The petty landlord is too poor to introduce improved methods of cultivation. In the case of big landlords whose proprietary interest extends over a considerable area, lack of improvement is due to utter neglect or disregard. The sub-infeudation of the proprietary interest, by itself, does not impair cultivation. But here again it is a question of diversion and subdivision which hampers any co-ordinated effort. I do not think the land tenure system prevents the cultivator from securing a fair return from his labour and enterprise except in those areas where the produce rent is still in force, but here again the system is not an unmixed evil. . . Abolition of all the interests between the cultivator and the Government and consolidation of holdings or the introduction of joint farming are the methods which had been suggested for bringing about improvements. Each has its advantages and disadvantages. Wholesale acquisition of the zamindari in Bihar is, in my opinion, neither very practicable nor will it be wise. . . I am, however, of the opinion that the days of the zamindari system are numbered and sooner or later it will end. I would, therefore, suggest a cautious and gradual acquisition of the zamindari rights. A begining may be made by acquiring lands of petty landlords in villages where there are a large number of co-sharers. The land in direct cultivation by the landlords may be left to them after fixing a reasonable rent. For this purpose regions may be selected and operations started. After some time, the policy may be extended further so that the change may be gradual and without disturbing the prevailing social structure."*

4. *Bombay.*—The Government has replied as follows: "The view is generally correct with regard to all tenures where the lands are leased to tenants for cultivation on payment of annual rent. The tenant who cultivates land on lease, which is generally annual, is not sure how long the lands would remain in his possession as the landlord has power to resume the lands at the end of the year after giving three months' notice to the tenant. The tenant has thus no permanent interest in the land. In many cases lands are leased on the crop-share rent and if the tenant sows improved seed or puts in good manure or extra labour to improve the land, half of the increased produce so obtained at his cost goes to the landlord and thus the

tenant does not get a proper return for his labour and enterprise. The absentee landlord cares only for his annual rent and takes no interest in the improvement of his lands or introduction to improved methods of cultivation. With a view to give some stability to the existing tenants and to encourage them to take interest in the lands leased to them, the Tenancy Act was passed in 1941. Under this Act the landlord cannot resume lands from the existing tenant at least for a period of ten years and cannot increase his rent, except for improvements carried out at the landlord's expense. The Act has been applied to selected areas to begin with and it is proposed to extend it to the other areas in course of time. Under the Act the position of the tenant is secure and he is encouraged to put in extra labour and cost for the improvement of the lands leased to him with a view to get a better return for himself. The question of applying the Tenancy Act to the predominantly khoti areas of Ratnapuri and Colaba and of amending the Khoti Act to give the tenants more security and make them independent of the Khoti is under consideration."

5. *Central Provinces and Berar*.—Government agree that changes in the prevalent system of land tenure might well secure an increase in agricultural production. But the effect on individual standards of life is difficult to prophesy. The system of land tenure in the province offers security to the cultivators, and whilst interference with it might stimulate agricultural production, the effect on the structure of the rural society, and the relationship between capital and labour, might not be altogether beneficial. It must be remembered that this is a backward province where the ignorant would be easily exploited without the protection which the Land Revenue and Tenancy Acts afford.

6. *Madras*.—*The Board of Revenue, Madras*, have stated as follows: "The ryotwari system does not need changing. Its defects are attributable to the system of law existing in the province which encourage the excessive partition of land and to the fact that it gives no security of tenure to the actual cultivator unless he is the registered holder. These defects could, however, be cured by appropriate legislation with no disturbance to the system.

The zamindari system is defective in that the upkeep of irrigation works is often beyond the financial power of zamindars and that if there is any dispute about the repair of an irrigation work or the amount of rent payable, litigation has to be resorted to. Cultivating tenants under occupancy ryots suffer from the same disadvantage of insecure tenure as cultivators under ryots. In summarizing the results of the survey of selected villages conducted under the direction of the Department of Economics of the University of Madras, Messrs Thomas and Ramakrishnan observe as follows: "It is worthwhile stressing the recent tendency in almost all the villages for owners to cultivate less and less either with their own hands or with the help of paid farm-servants and for more lands to be let on lease. Many resident ryots too are less inclined to cultivate their holdings either by themselves or with paid farm-servants." In the absence of much fuller information that we have at present regarding the economics of farming and the relations between actual cultivators and owners it is difficult to suggest any changes.

The zamindari system, however, appears to have survived such usefulness as it may once have possessed and many zamindars even would welcome its abolition subject to reasonable compensation for the loss of their rights.

The relations between the landholder and the tenant in the Malabar district are now governed by the Malabar Compensation for Tenants' Improvement Act, 1912, and the Malabar Tenancy Act, 1929. In July 1939, the Government appointed a committee to study the nature and effects of the land tenures prevailing in the Malabar district and in adjacent areas and to suggest for the consideration of the Government such legislative measures as might appear necessary for the regulation of tenancy and similar relations in these areas. The Committee submitted its report in 1940 . . . . The Committee recommended that there should be a fixity of tenure for all classes of lands subject to certain exceptions, that the ground rent payable by the tenants should be restricted, that no tenant should be compelled to pay more than a fair rent, that the fair rent should be determined on the basis suggested in their report, that the

practice of having renewal deeds executed every 12 years should be abolished altogether, that the renewal fee should be reduced and divided into 12 equal instalments and added on to the rent and made recoverable as rent, that tenants should be entitled to claim the value of any improvements effected after the passing of the intended tenancy legislation, and that some general control should be exercised to prevent denudation of private forests. The consideration of the Committee's report has been deferred for the duration of the war."

*The Director of Agriculture, Madras*, has expressed his views as follows: "The system of land tenure is no doubt a great factor in explaining the prosperity or the adversity of the cultivator. But it is possible to exaggerate its influence. In the United States, it has been found after an elaborate enquiry that 'efficiency is less a matter of the class of tenure than it is of the personal qualities of the farmer, the character of land, the adequacy of farm equipment and operating capital.' Of course, in the United States, land is not such a scarce factor as in India. Hence the competition for land by too many cultivators in this country does lead to graver evils than in the United States. But it is good not to ignore the other factors quoted above making for efficiency.

Agitation to repeal the zamindari (or permanent) settlement is developing all over the country. It has been accepted as a policy by the Government of Bengal, the former Government of Bihar, etc. The Provincial Legislature, according to the Government of India Act 1935, is not prohibited from passing a resolution to that effect and getting the sanction from Parliament.

This is bound to be done in almost every province as there is a growing consensus of opinion in its favour even among the zamindars themselves. The only serious difference of opinion is on the nature of compensation to be given to the zamindars for the rights they have long enjoyed and will be asked to surrender. If this is done, and ryotwari system extends over the entire province, there is no doubt that there will be an improvement in irrigation facilities, the maintenance of the record of rights, the establishment of co-operative societies and the extension of the activities of the Agricultural Department.

This does not mean that there is no problem of tenure in ryotwari areas. As stated already, there are a growing number of tenants who take land on lease, and are liable to be evicted at the end of a crop season or two. The Democles sword is always hanging on them. Some sort of security must be given to them against evictions after a short period. Fair rents must be fixed according to the nature of the land, crop, etc., which would not enable the cultivator to subsist but leave a margin which in course of time would enable him to purchase land and rise in the agricultural ladder.

This is not quite a chimera even in India. Tenants who take on lease land for intensive cultivation of crops, like sugarcane, plantains, tobacco, cambodia cotton, turmeric, etc., invest a lot of capital and are quite enterprising and making decent profits. They would not indeed care to remain on the same land as tenants for a long period. They move from one land to another and try different pieces. These are however, exceptional and are few in number. That is why they are not among the exploited."

*A non-official from Madras* has stated as follows: "Landholders governed by the Madras Estates Land Act have not shown sufficient enterprise to bring more land under cultivation. Nor have they tried to improve the water resources and other facilities. Even under the 'Grow More Food' campaign, some zamindars were reluctant to permit cultivators from using cultivable waste . . . and the Government of Madras enacted the Madras Estates Land (Temporary Amendment) Act, 1944. . . In fact, the zamindari system has become an anachronism. The Madras Estates Land Act need complete revision, if not, complete erasure from the Statute Book.

Under the ryotwari system there is security of tenure and the share of the State for the produce is fixed . . . At present there is no distinction in regard to land revenue assessment between the small holder and the large landholder. This is a direction in which a reform

of the land revenue system may be thought of . . . Cultivating ownership should be conferred on all ryotwari tenants especially where the landlord is an absentee landlord, and restrictions regarding increase of rent, etc., should by law be imposed . . ."

7. *North-West Frontier Province*:—The Provincial Government is of opinion that the principal cause of Agricultural backwardness is unprofitable debt and the lack of capital—rather than the system of land tenure, . . . The unit of agriculture is the village estate, in the midst of which is situated the village *abadi*. The village comprises a complete agricultural brotherhood with an elaborate customary law of its own. There is an increasing tendency for the partition of village holdings amongst the proprietary body, which leads often to the fragmentation of the estate. In most cases, the proprietors are themselves aware of the harm of this fragmentation, and whenever they can overcome their dispute and prejudicial consolidation. Except for fragmentation of holdings consequent on partition and inheritance, the Provincial Government does not consider the existing form of tenure objectionable and in any case can perceive of no way of substituting any other form of tenure.

8. *Orissa*:—The Provincial Government has expressed its views as follows: "While it is not necessary to bring about any radical change in the prevalent system of land tenure, it must be admitted that the zamindars in general, whether of permanently-settled estates or temporarily-settled estates, not only do not introduce any improvement to get better yield or to protect the lands from floods or drought but exploit every opportunity for realization of enhanced rent or other dues from the tenants. No doubt, cultivators will have a better protection, so far as security of their tenancy and rent is concerned, under the ryotwari system of land tenure which will in its turn encourage them to improve their holdings and obtain better yield; but the only possible remedy is to abolish the zamindari system altogether which, however, does not seem to be a practical proposition at least for many years to come, involving as it does extinction of ancient and vested rights. A better course which may be adopted at present is to compel the zamindars, specially of big estates, by legislation to set apart a certain amount every year for providing irrigation facilities and protective works."

Partition of zamindaris into very small portions tends to increase fragmentation of the holding. It also tends to impoverish the zamindars some of whom become proprietors of so small parcels of lands and have to collect rent of such small amounts that the ownership of the property ceases to be economic. Such zamindars can do nothing for improvement of cultivation in their estates. It may, therefore, be laid down that no estate having a land revenue below Rs. 500 should be admitted to partition."

9. *Punjab*.—The Government have replied as follows: "The view cannot be accepted in its entirety. The law of inheritance, the annual growth in population and lack of large scale industry in the Province have gradually led to fragmentation of holdings and increasing pressure on the land. The social customs and prejudices and deep-seated conservatism of the average cultivator are a great hindrance in the way of increased agricultural production or an increase in his purchasing power. The landlord has not taken to mechanical farming and still looks to Government for a lead. His net profits from cultivation through tenants are comparatively higher and therefore he tends to feel satisfied and to show insufficient interest in extension of cultivation or in improvement of land or its method of farming. The peasant proprietor wastes much of his labour by cultivating scattered fields and can effect no extension in cultivation as he cannot provide irrigation for each of his fields. The tenants are sometimes rack-rented, poor and insecure and consequently have neither the means nor the necessary incentive to effect improvement."

10. *Sind*.—Government does not entirely agree with the view quoted in this question with reference to conditions in Sind, the most striking of which from the present point of view is the low population figure. It admits that the tendency towards absenteeism such as in the five-year lease system, and the tendency of the more substantial farmers to get hold of more land than they can properly exploit are drawbacks, though they do not at present operate very seriously on Sind's general economy, but until the pressure of population begins to make



itself felt in Sind the system gets as much out of the land as the quantity and quality of the labour available permit, and shields the cultivating classes from many evils.

11. *United Provinces*:—The Government's views are as follows: "The theoretical view expressed in the opening sentence of this question curiously finds support from both extreme schools of thought whether pro-landlord or pro-tenant. The former take the view that if all the tenants' rights are wiped out and the landlords are allowed to deal with cultivation as capitalized farmers, much more agricultural production and also improvement in the standard of life will be possible. On the other hand, the tenant school would argue that, if the whole class of existing proprietors is eliminated, the standard of life of the cultivating classes would automatically go up and the incentive which the acquisition of a higher status of peasant proprietors would provide to the cultivating classes themselves would bring about an immense improvement in agricultural production. A third school of thought holds that if complete ownership of land by the State and collective farming are established, it would bring about a very great increase in agricultural production and improvement in the standard of life of the cultivating classes.

All the three views are purely theoretical, and there has not been a sufficiently thorough study of the whole problem to justify the claims of any of the three schools of thought. In any case, the complete fulfilment of the ideals of any of the three views is impossible without a revolution in the sense of social values. On the whole, Government's policy, as indicated by the tenancy legislation in the Province, seems to have been to provide stability of tenure and protection from rack-renting to the cultivator as far as possible. As a result both of this legislation as well as of the working of economic factors, the cultivated area in the Province has increased from about 29·400 million acres in 1880-81 to 34·400 million acres in 1901-02 and 36·400 million acres in 1942-43."

# गांधी अध्ययन केन्द्र

स्थिति

तिथि